



HEALTH ANNUAL STATEMENT

FOR THE YEAR ENDING DECEMBER 31, 2003  
OF THE CONDITION AND AFFAIRS OF THE

Aetna Health Inc. (a Maine corporation)

NAIC Group Code ..... 0001 0001 NAIC Company Code ..... 95517 Employer's ID Number ..... 01-0504252  
(Current Period) (Prior Period)

Organized under the Laws of Maine State of Domicile or Port of Entry ..... Maine

Country of Domicile ..... United States

Licensed as business type: Life, Accident & Health [ ] Property/Casualty [ ] Hospital, Medical & Dental Service or Indemnity [ ]  
Dental Service Corporation [ ] Vision Service Corporation [ ] Other [ ] Health Maintenance Organization [X] Is HMO Federally Qualified? Yes [ ] No [X]

Date Incorporated or Organized ..... October 3, 1995 Date Commenced Business ..... April 10, 1996

Statutory Home Office ..... One Monument Square, 4th Floor ..... Portland ..... ME ..... 04101  
(Street and Number) (City, State and Zip Code)

Main Administrative Office ..... 980 Jolly Road, P.O. Box 1109  
(Street and Number)

..... Blue Bell ..... PA ..... 19422 ..... 800-872-3862  
(City, State and Zip Code) (Area Code) (Telephone Number)

Mail Address ..... 980 Jolly Road, U11S, P.O. Box 1109 ..... Blue Bell ..... PA ..... 19422  
(Street and Number or P. O. Box) (City, State and Zip Code)

Primary Location of Books and Records ..... 980 Jolly Road, P.O. Box 1109  
(Street and Number)

..... Blue Bell ..... PA ..... 19422 ..... 800-872-3862  
(City, State and Zip Code) (Area Code) (Telephone Number)

Internet Website Address ..... www.aetna.com

Statutory Statement Contact ..... James David Weiss ..... 215-775-6508  
(Name) (Area Code) (Telephone Number) (Extension)

..... Aetna.HMOReporting@aetna.com ..... 215-775-6790  
(E-mail Address) (Fax Number)

Policyowner Relations Contact ..... Plan Sponsor Services, 151 Farmington Avenue, Hartford, CT 06156 ..... 800-247-5472  
(Street and Number) (City, State and Zip Code) (Area Code) (Telephone Number)

OFFICERS

President ..... Mary Claire Bonner Treasurer (Controller) ..... James David Weiss  
Secretary (and Vice President) ..... William Calvin Baskin III

VICE PRESIDENTS

Principal Financial Officer:  
Senior Medical Director:  
Treasurer:  
Vice President:  
Senior Investment Officer:  
Assistant Controller:

Emanuel Francis Germano  
Gordon William Grundy, M.D.  
Russell Page Smith  
Gregory Stephen Martino  
Kevin James Casey  
Alicia Helene Bolton

DIRECTORS OR TRUSTEES

Mary Claire Bonner

Gordon William Grundy, M.D.

Jane Snyder-Demaio

State of..... Pennsylvania  
County of..... Montgomery SS

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period state above, and of its income and deductions therefrom for the period, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manuals except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively.

(Signature)  
Mary Claire Bonner  
President

(Signature)  
William Calvin Baskin III  
Secretary (and Vice President)

(Signature)  
James David Weiss  
Treasurer (Controller)

Subscribed and sworn to before me this  
day of February, 2004

NOTARY PUBLIC (Seal)

- a. Is this an original filing? Yes [X] No [ ]  
b. If no: 1. State the amendment number.....  
2. Date filed .....  
3. Number of pages attached .....

**ASSETS**

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D).....	46,124,370	0	46,124,370	20,167,184
2. Stocks (Schedule D):				
2.1 Preferred stocks.....	0	0	0	0
2.2 Common stocks.....	0	0	0	0
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....	0	0	0	0
3.2 Other than first liens.....	0	0	0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....	0	0	0	0
4.2 Properties held for the production of income (less \$.....0 encumbrances).....	0	0	0	0
4.3 Properties held for sale (less \$.....0 encumbrances).....	0	0	0	0
5. Cash (\$.....0, Sch. E-Part 1), cash equivalents (\$.....8,060,578, Sch. E-Part 2) and short-term investments (\$.....117,621 Sch. DA).....	8,178,199	0	8,178,199	42,583,236
6. Contract loans (including \$.....0 premium notes).....	0	0	0	0
7. Other invested assets (Schedule BA).....	0	0	0	0
8. Receivable for securities.....	0	0	0	0
9. Aggregate write-ins for invested assets.....	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9).....	54,302,569	0	54,302,569	62,750,420
11. Investment income due and accrued.....	446,961	0	446,961	228,376
12. Premiums and considerations:				
12.1 Uncollected premiums and agents' balances in course of collection.....	1,866,884	407,097	1,459,787	1,524,900
12.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	0	0	0	0
12.3 Accrued retrospective premiums.....	0	0	0	0
13. Reinsurance:				
13.1 Amounts recoverable from reinsurers.....	0	0	0	0
13.2 Funds held by or deposited with reinsured companies.....	0	0	0	0
13.3 Other amounts receivable under reinsurance contracts.....	0	0	0	0
14. Amounts receivable relating to uninsured plans.....	0	0	0	0
15.1 Current federal and foreign income tax recoverable and interest thereon.....	480,984	0	480,984	0
15.2 Net deferred tax asset.....	6,679,433	5,703,815	975,618	1,042,056
16. Guaranty funds receivable or on deposit.....	0	0	0	0
17. Electronic data processing equipment and software.....	0	0	0	0
18. Furniture and equipment, including health care delivery assets (\$.....0).....	0	0	0	0
19. Net adjustment in assets and liabilities due to foreign exchange rates.....	0	0	0	0
20. Receivable from parent, subsidiaries and affiliates.....	611,652	0	611,652	690,534
21. Health care (\$.....0) and other amounts receivable.....	0	0	0	0
22. Other assets nonadmitted.....	0	0	0	0
23. Aggregate write-ins for other than invested assets.....	112,000	0	112,000	0
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 through 23).....	64,500,483	6,110,912	58,389,571	66,236,286
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0	0
26. TOTALS (Lines 24 and 25).....	64,500,483	6,110,912	58,389,571	66,236,286

**DETAILS OF WRITE-INS**

0901. ....	0	0	0	0
0902. ....	0	0	0	0
0903. ....	0	0	0	0
0998. Summary of remaining write-ins for Line 9 from overflow page.....	0	0	0	0
0999. Totals (Lines 0901 thru 0903 plus 0999) (Line 9 above).....	0	0	0	0
2301. Current state income tax receivable.....	112,000	0	112,000	0
2302. ....	0	0	0	0
2303. ....	0	0	0	0
2398. Summary of remaining write-ins for Line 23 from overflow page.....	0	0	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	112,000	0	112,000	0

**LIABILITIES, CAPITAL AND SURPLUS**

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....0 reinsurance ceded).....	16,755,314	834,109	17,589,423	14,077,650
2. Accrued medical incentive pool and bonus amounts.....	0	0	0	0
3. Unpaid claims adjustment expenses.....	436,761	0	436,761	402,369
4. Aggregate health policy reserves.....	0	0	0	0
5. Aggregate life policy reserves.....	0	0	0	0
6. Property/casualty unearned premium reserve.....	0	0	0	0
7. Aggregate health claim reserves.....	834,117	0	834,117	635,539
8. Premiums received in advance.....	301,726	0	301,726	391,757
9. General expenses due or accrued.....	55,559	0	55,559	82,793
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized gains (losses)).....	0	0	0	1,406,359
10.2 Net deferred tax liability.....	0	0	0	0
11. Ceded reinsurance premiums payable.....	30,166	0	30,166	28,560
12. Amounts withheld or retained for the account of others.....	0	0	0	0
13. Remittances and items not allocated.....	0	0	0	0
14. Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current).....	0	0	0	0
15. Amounts due to parent, subsidiaries and affiliates.....	1,430,375	0	1,430,375	6,393,759
16. Payable for securities.....	5,040,916	0	5,040,916	10,205,393
17. Funds held under reinsurance treaties with (\$.....0 authorized reinsurers and \$.....0 unauthorized reinsurers).....	0	0	0	0
18. Reinsurance in unauthorized companies.....	0	0	0	0
19. Net adjustments in assets and liabilities due to foreign exchange rates.....	0	0	0	0
20. Liability for amounts held under uninsured accident and health plans.....	0	0	0	0
21. Aggregate write-ins for other liabilities (including \$.....0 current).....	0	0	0	0
22. Total liabilities (Lines 1 to 21).....	24,884,934	834,109	25,719,043	33,624,179
23. Common capital stock.....	XXX	XXX	1,000,000	1,000,000
24. Preferred capital stock.....	XXX	XXX	0	0
25. Gross paid in and contributed surplus.....	XXX	XXX	52,700,000	52,700,000
26. Surplus notes.....	XXX	XXX	0	0
27. Aggregate write-ins for other than special surplus funds.....	XXX	XXX	0	0
28. Unassigned funds (surplus).....	XXX	XXX	(21,029,472)	(21,087,893)
29. Less treasury stock at cost:				
29.1 .....0.000 shares common (value included in Line 23 \$.....0).....	XXX	XXX	0	0
29.2 .....0.000 shares preferred (value included in Line 24 \$.....0).....	XXX	XXX	0	0
30. Total capital and surplus (Lines 23 to 28 minus Line 29).....	XXX	XXX	32,670,528	32,612,107
31. Total liabilities, capital and surplus (Lines 22 and 30).....	XXX	XXX	58,389,571	66,236,286

**DETAILS OF WRITE-INS**

2101. ....	0	0	0	0
2102. ....	0	0	0	0
2103. ....	0	0	0	0
2198. Summary of remaining write-ins for Line 21 from overflow page.....	0	0	0	0
2199. Totals (Lines 2101 thru 2103 plus 2198) (Line 21 above).....	0	0	0	0
2701. ....	XXX	XXX	0	0
2702. ....	XXX	XXX	0	0
2703. ....	XXX	XXX	0	0
2798. Summary of remaining write-ins for Line 27 from overflow page.....	XXX	XXX	0	0
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above).....	XXX	XXX	0	0

**STATEMENT OF REVENUE AND EXPENSES**

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member months.....	.XXX.	491,955	632,504
2. Net premium income (including \$.0 non-health premium income).....	.XXX.	149,329,210	164,453,962
3. Change in unearned premium reserves and reserve for rate credits.....	.XXX.	0	0
4. Fee-for-service (net of \$.0 medical expenses).....	.XXX.	0	0
5. Risk revenue.....	.XXX.	0	0
6. Aggregate write-ins for other health care related revenues.....	.XXX.	0	0
7. Aggregate write-ins for other non-health revenues.....	.XXX.	0	0
8. Total revenues (Lines 2 to 7).....	.XXX.	149,329,210	164,453,962
<b>Hospital and Medical:</b>			
9. Hospital/medical benefits.....	2,327,770	96,190,818	105,476,862
10. Other professional services.....	0	0	29
11. Outside referrals.....	2,482,909	2,482,909	3,604,290
12. Emergency room and out-of-area.....	220,911	4,418,228	5,256,064
13. Prescription drugs.....	0	14,759,302	17,927,734
14. Aggregate write-ins for other hospital and medical.....	0	0	(1,275,406)
15. Incentive pool, withhold adjustments and bonus amounts.....	0	0	0
16. Subtotal (Lines 9 to 15).....	5,031,590	117,851,257	130,989,573
<b>Less:</b>			
17. Net reinsurance recoveries.....	0	0	4,534
18. Total hospital and medical (Lines 16 minus 17).....	5,031,590	117,851,257	130,985,039
19. Non-health claims.....	0	0	0
20. Claims adjustment expenses.....	0	3,535,538	3,929,687
21. General administrative expenses.....	0	15,551,044	16,925,092
22. Increase in reserves for life and accident and health contracts including \$.0 increase in reserves for life only).....	0	0	0
23. Total underwriting deductions (Lines 18 through 22).....	5,031,590	136,937,839	151,839,818
24. Net underwriting gain or (loss) (Lines 8 minus 23).....	.XXX.	12,391,371	12,614,144
25. Net investment income earned.....	0	1,494,379	1,517,581
26. Net realized capital gains or (losses).....	0	68,705	315,224
27. Net investment gains or (losses) (Lines 25 plus 26).....	0	1,563,084	1,832,805
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.0) (amount charged off \$.0)].....	0	0	0
29. Aggregate write-ins for other income or expenses.....	0	0	0
30. Net income or (loss) before federal income taxes (Lines 24 plus 27 plus 28 plus 29).....	.XXX.	13,954,455	14,446,949
31. Federal and foreign income taxes incurred.....	.XXX.	4,634,505	4,846,791
32. Net income (loss) (Lines 30 minus 31).....	.XXX.	9,319,950	9,600,158

**DETAILS OF WRITE-INS**

0601. ....	.XXX.	0	0
0602. ....	.XXX.	0	0
0603. ....	.XXX.	0	0
0698. Summary of remaining write-ins for Line 6 from overflow page.....	.XXX.	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above).....	.XXX.	0	0
0701. ....	.XXX.	0	0
0702. ....	.XXX.	0	0
0703. ....	.XXX.	0	0
0798. Summary of remaining write-ins for Line 7 from overflow page.....	.XXX.	0	0
0799. Totals (Lines 0701 thru 0703 plus 0798) (Line 7 above).....	.XXX.	0	0
1401. Physician Distribution.....	0	0	(1,275,406)
1402. ....	0	0	0
1403. ....	0	0	0
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	0	0	(1,275,406)
2901. ....	0	0	0
2902. ....	0	0	0
2903. ....	0	0	0
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above).....	0	0	0

**STATEMENT OF REVENUE AND EXPENSES (Continued)**

CAPITAL AND SURPLUS ACCOUNT		1	2
		Current Year	Prior Year
33.	Capital and surplus prior reporting period.....	32,612,107	22,939,822
<b>GAINS AND LOSSES TO CAPITAL &amp; SURPLUS</b>			
34.	Net income or (loss) from Line 32.....	9,319,950	9,600,158
35.	Change in valuation basis of aggregate policy and claim reserves.....	0	0
36.	Net unrealized capital gains and losses.....	0	0
37.	Change in net unrealized foreign exchange capital gain or (loss).....	0	0
38.	Change in net deferred income tax.....	(696,915)	(104,648)
39.	Change in nonadmitted assets.....	635,386	641,563
40.	Change in unauthorized reinsurance.....	0	0
41.	Change in treasury stock.....	0	0
42.	Change in surplus notes.....	0	0
43.	Cumulative effect of changes in accounting principles.....	0	0
44.	Capital changes:		
44.1	Paid in.....	0	0
44.2	Transferred from surplus (Stock Dividend).....	0	0
44.3	Transferred to surplus.....	0	0
45.	Surplus adjustments:		
45.1	Paid in.....	0	0
45.2	Transferred to capital (Stock Dividend).....	0	0
45.3	Transferred from capital.....	0	0
46.	Dividends to stockholders.....	(9,200,000)	0
47.	Aggregate write-ins for gains or (losses) in surplus.....	0	(464,788)
48.	Net change in capital and surplus (Lines 34 to 47).....	58,421	9,672,285
49.	Capital and surplus end of reporting period (Line 33 plus 48).....	32,670,528	32,612,107

DETAILS OF WRITE-INS		
4701.	Asset Valuation Reserve.....	025,241
4702.	Correction of non-admitted premium receivables in prior period.....	0(490,029)
4703.	.....	00
4798.	Summary of remaining write-ins for Line 47 from overflow page.....	00
4799.	Totals (Lines 4701 thru 4703 plus 4798) (Line 47 above).....	0(464,788)

Statement as of December 31, 2003 of the

Aetna Health Inc. (a Maine corporation)

CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	149,310,806	165,575,838
2. Net investment income.....	1,370,999	1,451,899
3. Miscellaneous income.....	0	0
4. Total (Lines 1 through 3).....	150,681,805	167,027,737
5. Benefit and loss related payments.....	114,140,906	145,296,669
6. Net transfers to Separate, Segregated Accounts and Protected Cell Accounts.....	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions.....	19,079,424	16,842,299
8. Dividends paid to policyholders.....	0	0
9. Federal and foreign income taxes paid (recovered) \$.....0 net tax on capital gains (losses).....	6,521,847	1,875,452
10. Total (Lines 5 through 9).....	139,742,177	164,014,420
11. Net cash from operations (Line 4 minus Line 10).....	10,939,628	3,013,317
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	36,590,162	27,760,199
12.2 Stocks.....	0	0
12.3 Mortgage loans.....	0	0
12.4 Real estate.....	0	0
12.5 Other invested assets.....	0	0
12.6 Net gains or (losses) on cash and short-term investments.....	(170)	(34)
12.7 Miscellaneous proceeds.....	0	10,205,393
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	36,589,992	37,965,558
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	62,573,678	31,400,819
13.2 Stocks.....	0	0
13.3 Mortgage loans.....	0	0
13.4 Real estate.....	0	0
13.5 Other invested assets.....	0	0
13.6 Miscellaneous applications.....	5,164,477	0
13.7 Total investments acquired (Lines 13.1 to 13.6).....	67,738,155	31,400,819
14. Net increase (decrease) in policy loans and premium notes.....	0	0
15. Net cash from investments (Line 12.8 minus Lines 13.7 and 14).....	(31,148,163)	6,564,739
CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....	0	0
16.2 Capital and paid in surplus, less treasury stock.....	0	0
16.3 Borrowed funds received.....	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....	0	0
16.5 Dividends to stockholders.....	9,200,000	0
16.6 Other cash provided (applied).....	(4,996,502)	5,583,487
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(14,196,502)	5,583,487
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
18. Net change in cash and short-term investments (Line 11 plus Line 15 plus Line 17).....	(34,405,037)	15,161,543
19. Cash and short-term investments:		
19.1 Beginning of year.....	42,583,236	27,421,693
19.2 End of year (Line 18 plus Line 19.1).....	8,178,199	42,583,236







**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 2 - CLAIMS INCURRED DURING THE YEAR**

	1	2	3	4	5	6	7	8	9	10	11	12	13
	Total	Comprehensive (Hospital and Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-Term Care	Other Health	Other Non-Health
1. Payments during the year:													
1.1 Direct.....	114,140,906	114,140,906	0	0	0	0	0	0	0	0	0	0	0
1.2 Reinsurance assumed.....	0	0	0	0	0	0	0	0	0	0	0	0	0
1.3 Reinsurance ceded.....	0	0	0	0	0	0	0	0	0	0	0	0	0
1.4 Net.....	114,140,906	114,140,906	0	0	0	0	0	0	0	0	0	0	0
2. Paid medical incentive pools and bonuses.....	0	0	0	0	0	0	0	0	0	0	0	0	0
3. Claim liability December 31, current year from Part 2A:													
3.1 Direct.....	17,589,423	17,589,423	0	0	0	0	0	0	0	0	0	0	0
3.2 Reinsurance assumed.....	0	0	0	0	0	0	0	0	0	0	0	0	0
3.3 Reinsurance ceded.....	0	0	0	0	0	0	0	0	0	0	0	0	0
3.4 Net.....	17,589,423	17,589,423	0	0	0	0	0	0	0	0	0	0	0
4. Claim reserve December 31, current year from Part 2D:													
4.1 Direct.....	834,117	834,117	0	0	0	0	0	0	0	0	0	0	0
4.2 Reinsurance assumed.....	0	0	0	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded.....	0	0	0	0	0	0	0	0	0	0	0	0	0
4.4 Net.....	834,117	834,117	0	0	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year.....	0	0	0	0	0	0	0	0	0	0	0	0	0
6. Amounts recoverable from reinsurers December 31, current year.....	0	0	0	0	0	0	0	0	0	0	0	0	0
7. Claim liability December 31, prior year from Part 2A:													
7.1 Direct.....	14,077,650	14,077,650	0	0	0	0	0	0	0	0	0	0	0
7.2 Reinsurance assumed.....	0	0	0	0	0	0	0	0	0	0	0	0	0
7.3 Reinsurance ceded.....	0	0	0	0	0	0	0	0	0	0	0	0	0
7.4 Net.....	14,077,650	14,077,650	0	0	0	0	0	0	0	0	0	0	0
8. Claim reserve December 31, prior year from Part 2D:													
8.1 Direct.....	635,539	635,539	0	0	0	0	0	0	0	0	0	0	0
8.2 Reinsurance assumed.....	0	0	0	0	0	0	0	0	0	0	0	0	0
8.3 Reinsurance ceded.....	0	0	0	0	0	0	0	0	0	0	0	0	0
8.4 Net.....	635,539	635,539	0	0	0	0	0	0	0	0	0	0	0
9. Accrued medical incentive pools and bonuses, prior year.....	0	0	0	0	0	0	0	0	0	0	0	0	0
10. Amounts recoverable from reinsurers December 31, prior year.....	0	0	0	0	0	0	0	0	0	0	0	0	0
11. Incurred benefits:													
11.1 Direct.....	117,851,257	117,851,257	0	0	0	0	0	0	0	0	0	0	0
11.2 Reinsurance assumed.....	0	0	0	0	0	0	0	0	0	0	0	0	0
11.3 Reinsurance ceded.....	0	0	0	0	0	0	0	0	0	0	0	0	0
11.4 Net.....	117,851,257	117,851,257	0	0	0	0	0	0	0	0	0	0	0
12. Incurred medical incentive pools and bonuses.....	0	0	0	0	0	0	0	0	0	0	0	0	0

**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR**

	1	2	3	4	5	6	7	8	9	10	11	12	13
	Total	Comprehensive (Medical and Hospital)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-Term Care	Other Health	Other Non-Health
1. Reported in process of adjustment:													
1.1 Direct.....	1,581,839	1,581,839	0	0	0	0	0	0	0	0	0	0	0
1.2 Reinsurance assumed.....	0	0	0	0	0	0	0	0	0	0	0	0	0
1.3 Reinsurance ceded.....	0	0	0	0	0	0	0	0	0	0	0	0	0
1.4 Net.....	1,581,839	1,581,839	0	0	0	0	0	0	0	0	0	0	0
2. Incurred but unreported:													
2.1 Direct.....	16,007,584	16,007,584	0	0	0	0	0	0	0	0	0	0	0
2.2 Reinsurance assumed.....	0	0	0	0	0	0	0	0	0	0	0	0	0
2.3 Reinsurance ceded.....	0	0	0	0	0	0	0	0	0	0	0	0	0
2.4 Net.....	16,007,584	16,007,584	0	0	0	0	0	0	0	0	0	0	0
3. Amounts withheld from paid claims and capitations:													
3.1 Direct.....	0	0	0	0	0	0	0	0	0	0	0	0	0
3.2 Reinsurance assumed.....	0	0	0	0	0	0	0	0	0	0	0	0	0
3.3 Reinsurance ceded.....	0	0	0	0	0	0	0	0	0	0	0	0	0
3.4 Net.....	0	0	0	0	0	0	0	0	0	0	0	0	0
4. Totals:													
4.1 Direct.....	17,589,423	17,589,423	0	0	0	0	0	0	0	0	0	0	0
4.2 Reinsurance assumed.....	0	0	0	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded.....	0	0	0	0	0	0	0	0	0	0	0	0	0
4.4 Net.....	17,589,423	17,589,423	0	0	0	0	0	0	0	0	0	0	0

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE**

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5  Claims Incurred in Prior Years (Columns 1 + 3)	6  Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1  On Claims Incurred Prior to January 1 of Current Year	2  On Claims Incurred During the Year	3  On Claims Unpaid December 31 of Prior Year	4  On Claims Incurred During the Year		
1. Comprehensive (hospital and medical).....	11,897,675	102,243,231	708,140	17,715,400	12,605,815	14,713,189
2. Medicare supplement.....	0	0	0	0	0	0
3. Dental only.....	0	0	0	0	0	0
4. Vision only.....	0	0	0	0	0	0
5. Federal employees health benefits plan.....	0	0	0	0	0	0
6. Title XVIII - Medicare.....	0	0	0	0	0	0
7. Title XIX - Medicaid.....	0	0	0	0	0	0
8. Other health.....	0	0	0	0	0	0
9. Health subtotal (Lines 1 to 8).....	11,897,675	102,243,231	708,140	17,715,400	12,605,815	14,713,189
10. Other non-health.....	0	0	0	0	0	0
11. Medical incentive pools, accruals and disbursements.....	0	0	0	0	0	0
12. Totals (Lines 9 to 11).....	11,897,675	102,243,231	708,140	17,715,400	12,605,815	14,713,189



## UNDERWRITING AND INVESTMENT EXHIBIT

## PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

## SECTION A - PAID HEALTH CLAIMS - HOSPITAL AND MEDICAL

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 1999	2 2000	3 2001	4 2002	5 2003
1. Prior.....	60,431	60,462	60,454	60,454	60,454
2. 1999.....	49,121	63,871	64,051	64,034	64,042
3. 2000.....	XXX	115,912	137,261	138,035	137,981
4. 2001.....	XXX	XXX	162,590	179,360	179,557
5. 2002.....	XXX	XXX	XXX	123,853	135,600
6. 2003.....	XXX	XXX	XXX	XXX	102,243

## SECTION B - INCURRED HEALTH CLAIMS - HOSPITAL AND MEDICAL

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
	1 1999	2 2000	3 2001	4 2002	5 2003
1. Prior.....	60,560	60,502	60,479	60,454	60,454
2. 1999.....	62,367	64,055	64,097	64,080	64,042
3. 2000.....	XXX	142,698	137,819	138,204	138,036
4. 2001.....	XXX	XXX	187,070	180,128	179,749
5. 2002.....	XXX	XXX	XXX	137,585	136,061
6. 2003.....	XXX	XXX	XXX	XXX	119,959

### SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - HOSPITAL AND MEDICAL

[illegible]

**U & I Ex.-Pt.2C-Sn A-Paid Claims-Medicare Supp.  
NONE**

**U & I Ex.-Pt.2C-Sn B-Incurred Claims-Medicare Supp.  
NONE**

**U & I Ex.-Pt.2C-Sn C-Expense Ratio-Medicare Supp.  
NONE**

**U & I Ex.-Pt.2C-Sn A-Paid Claims-Dental  
NONE**

**U & I Ex.-Pt.2C-Sn B-Incurred Claims-Dental  
NONE**

**U & I Ex.-Pt.2C-Sn C-Expense Ratio-Dental  
NONE**

**U & I Ex.-Pt.2C-Sn A-Paid Claims-Vision  
NONE**

**U & I Ex.-Pt.2C-Sn B-Incurred Claims-Vision  
NONE**

**U & I Ex.-Pt.2C-Sn C-Expense Ratio-Vision  
NONE**

## UNDERWRITING AND INVESTMENT EXHIBIT

## PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

## SECTION A - PAID HEALTH CLAIMS - FEDERAL EMPLOYEES HEALTH BENEFITS PLAN PREMIUM

Year in Which Losses Were Incurred	CUMulative Net Amounts Paid				
	1 1999	2 2000	3 2001	4 2002	5 2003
1. Prior.....	1,006	1,007	1,007	1,007	1,007
2. 1999.....	1,309	1,594	1,594	1,594	1,594
3. 2000.....	XXX	2,236	2,728	2,728	2,728
4. 2001.....	XXX	XXX	.0	.0	.0
5. 2002.....	XXX	XXX	XXX	.0	.0
6. 2003.....	XXX	XXX	XXX	XXX	.0

## SECTION B - INCURRED HEALTH CLAIMS - FEDERAL EMPLOYEES HEALTH BENEFITS PLAN PREMIUM

	Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
		1 1999	2 2000	3 2001	4 2002	5 2003
1.	Prior.....	1,010	1,008	1,007	1,007	1,007
2.	1999.....	1,686	1,597	1,594	1,594	1,594
3.	2000.....	XXX	2,724	2,728	2,728	2,728
4.	2001.....	XXX	XXX	.0	.0	.0
5.	2002.....	XXX	XXX	XXX	.0	.0
6.	2003.....	XXX	XXX	XXX	XXX	.0

**SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - FEDERAL EMPLOYEES HEALTH BENEFITS PLAN PREMIUM**

[illegible]

**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS**  
(000 Omitted)

**SECTION A - PAID HEALTH CLAIMS - TITLE XVIII - MEDICARE**

Year in Which Losses Were Incurred	CUmulative Net Amounts Paid				
	1 1999	2 2000	3 2001	4 2002	5 2003
1. Prior.....	.642	.646	.646	.646	.646
2. 1999.....	3,236	4,776	4,776	4,776	4,776
3. 2000.....	XXX	7,684	9,785	9,785	9,785
4. 2001.....	XXX	.XXX	.0	.0	.0
5. 2002.....	XXX	.XXX	XXX	.0	.0
6. 2003.....	XXX	.XXX	XXX	.XXX	.0

**SECTION B - INCURRED HEALTH CLAIMS - TITLE XVIII - MEDICARE**

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
	1 1999	2 2000	3 2001	4 2002	5 2003
1. Prior.....	.650	.647	.646	.646	.646
2. 1999.....	4,064	4,785	4,776	4,776	4,776
3. 2000.....	XXX	8,965	9,785	9,785	9,785
4. 2001.....	XXX	.XXX	.0	.0	.0
5. 2002.....	XXX	.XXX	XXX	.0	.0
6. 2003.....	XXX	.XXX	XXX	.XXX	.0

**SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - TITLE XVIII - MEDICARE**

Years in Which Premiums were Earned and Claims were Incurred	1  Premiums Earned	2  Claim Payments	3  Claim Adjustment Expense Payments	4  Percent (Col. 3/2)	5  Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6  Percent (Col. 5/1)	7  Claims Unpaid	8  Unpaid Claim Adjustment Expense	9  Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10  Percent (Col. 9/1)
1. Prior to 1999.....	XXX	.0	.0	XXX	.0	XXX	.0	.0	.0	XXX
2. 1999.....	4,123	4,776	.0	0.0	4,776	115.8	.0	.0	4,776	115.8
3. 2000.....	7,697	9,785	.0	0.0	9,785	127.1	.0	.0	9,785	127.1
4. 2001.....	.0	.0	.0	0.0	.0	.0.0	.0	.0	.0	.0.0
5. 2002.....	.0	.0	.0	0.0	.0	.0.0	.0	.0	.0	.0.0
6. 2003.....	.0	.0	.0	0.0	.0	.0.0	.0	.0	.0	.0.0
7. Total (Lines 1 through 6).....	XXX	14,561	.0	XXX	14,561	XXX	.0	.0	14,561	XXX
8. Total (Lines 2 through 6).....	11,820	.XXX	.XXX	XXX	.XXX	XXX	.XXX	.XXX	.XXX	XXX



## UNDERWRITING AND INVESTMENT EXHIBIT

## PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

## SECTION A - PAID HEALTH CLAIMS - TITLE XIX - MEDICAID

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 1999	2 2000	3 2001	4 2002	5 2003
1. Prior.....	5,662	5,687	5,687	5,687	5,687
2. 1999.....	4,612	5,285	5,285	5,285	5,285
3. 2000.....	XXX	1,148	1,345	1,345	1,345
4. 2001.....	XXX	XXX	.0	.0	.0
5. 2002.....	XXX	XXX	XXX	.0	.0
6. 2003.....	XXX	XXX	XXX	XXX	.0

## SECTION B - INCURRED HEALTH CLAIMS - TITLE XIX - MEDICAID

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
	1 1999	2 2000	3 2001	4 2002	5 2003
1. Prior.....	5,717	5,693	5,687	5,687	5,687
2. 1999.....	5,621	5,310	5,285	5,285	5,285
3. 2000.....	XXX	1,275	1,345	1,345	1,345
4. 2001.....	XXX	XXX	0	0	0
5. 2002.....	XXX	XXX	XXX	0	0
6. 2003.....	XXX	XXX	XXX	XXX	0

### SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - TITLE XIX - MEDICAID

[illegible]

## UNDERWRITING AND INVESTMENT EXHIBIT

## PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

## SECTION A - PAID HEALTH CLAIMS - OTHER

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 1999	2 2000	3 2001	4 2002	5 2003
1. Prior.....	0	0	0	0	0
2. 1999.....	0	0	0	0	0
3. 2000.....	XXX	0	0	0	0
4. 2001.....	XXX	XXX	0	0	0
5. 2002.....	XXX	XXX	XXX	0	0
6. 2003.....	XXX	XXX	XXX	XXX	0

## SECTION B - INCURRED HEALTH CLAIMS - OTHER

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
	1 1999	2 2000	3 2001	4 2002	5 2003
1. Prior.....					
2. 1999.....					
3. 2000.....					
4. 2001.....					
5. 2002.....					
6. 2003.....					

### SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - OTHER

[illegible]

**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 2D - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS ONLY**

	1	2	3	4	5	6	7	8	9	10	11	12
	Total	Comprehensive (Hospital and Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-Term Care	Other
POLICY RESERVE												
1. Unearned premium reserves.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
2. Additional policy reserves (a).....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3. Reserve for future contingent benefits.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4. Reserve for rate credits or experience rating refunds (including \$.0) for investment income.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
5. Aggregate write-ins for other policy reserves.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
6. Totals (gross).....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
7. Reinsurance ceded.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
8. Totals (net) (Page 3, Line 4).....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
CLAIM RESERVE												
9. Present value of amounts not yet due on claims.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
10. Reserve for future contingent benefits.....	834,117	834,117	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
11. Aggregate write-ins for other claim reserves.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
12. Totals (gross).....	834,117	834,117	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
13. Reinsurance ceded.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
14. Totals (net) (Page 3, Line 7).....	834,117	834,117	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
DETAILS OF WRITE-INS												
0501. ....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
0502. ....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
0503. ....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
0598. Summary of remaining write-ins for Line 5 from overflow page.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above).....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
1101. ....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
1102. ....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
1103. ....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
1198. Summary of remaining write-ins for Line 11 from overflow page.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0

(a) Includes \$.0 premium deficiency reserve.

Statement as of December 31, 2003 of the

Aetna Health Inc. (a Maine corporation)

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

	1	2	3	4
	Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
1. Rent (\$.....0 for occupancy of own building).....	141,422	513,400	.....0	654,822
2. Salaries, wages and other benefits.....	2,071,825	7,413,725	.....0	9,485,550
3. Commissions (less \$.....0 ceded plus \$.....0 assumed).....	.....0	2,114,136	.....0	2,114,136
4. Legal fees and expenses.....	49,498	209,405	.....0	258,903
5. Certifications and accreditation fees.....	.....0	.....0	.....0	.....0
6. Auditing, actuarial and other consulting services.....	.....0	90,106	.....0	90,106
7. Traveling expenses.....	45,962	159,839	.....0	205,801
8. Marketing and advertising.....	.....0	337,521	.....0	337,521
9. Postage, express and telephone.....	144,957	509,864	.....0	654,821
10. Printing and office supplies.....	42,426	144,665	.....0	187,091
11. Occupancy, depreciation and amortization.....	7,071	31,103	.....0	38,174
12. Equipment.....	81,317	292,866	.....0	374,183
13. Cost or depreciation of EDP equipment and software.....	159,099	570,558	.....0	729,657
14. Outsourced services including EDP, claims, and other services.....	374,767	1,327,768	.....0	1,702,535
15. Boards, bureaus and association fees.....	7,071	30,347	.....0	37,418
16. Insurance, except on real estate.....	219,203	791,092	.....0	1,010,295
17. Collection and bank service charges.....	17,678	57,159	.....0	74,837
18. Group service and administration fees.....	.....0	30,000	.....0	30,000
19. Reimbursements by uninsured accident and health plans.....	.....0	.....0	.....0	.....0
20. Reimbursements from fiscal intermediaries.....	.....0	.....0	.....0	.....0
21. Real estate expenses.....	17,678	57,159	.....0	74,837
22. Real estate taxes.....	10,607	26,812	.....0	37,419
23. Taxes, licenses and fees:				
23.1 State and local insurance taxes.....	.....0	.....0	.....0	.....0
23.2 State premium taxes.....	.....0	.....0	.....0	.....0
23.3 Regulatory authority licenses and fees.....	.....0	69,057	.....0	69,057
23.4 Payroll taxes.....	137,886	498,226	.....0	636,112
23.5 Other (excluding federal income and real estate taxes).....	7,071	34,879	.....0	41,950
24. Investment expenses not included elsewhere.....	.....0	.....0	.....0	.....0
25. Aggregate write-ins for expenses.....	.....0	241,357	.....0	241,357
26. Total expenses incurred (Lines 1 to 25).....	3,535,538	15,551,044	.....0	(a).....19,086,582
27. Less expenses unpaid December 31, current year.....	436,761	55,559	.....0	492,320
28. Add expenses unpaid December 31, prior year.....	402,369	82,793	.....0	485,162
29. Amounts receivable relating to uninsured accident and health plans, prior year.....	.....0	.....0	.....0	.....0
30. Amounts receivable relating to uninsured accident and health plans, current year.....	.....0	.....0	.....0	.....0
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30).....	3,501,146	15,578,278	.....0	19,079,424

DETAILS OF WRITE-INS

2501. Bad Debt Expense.....	.....0	162,841	.....0	162,841
2502. Miscellaneous Expense.....	.....0	74,837	.....0	74,837
2503. Intercompany Interest Expense.....	.....0	3,679	.....0	3,679
2598. Summary of remaining write-ins for Line 25 from overflow page.....	.....0	.....0	.....0	.....0
2599. TOTALS (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	.....0	241,357	.....0	241,357

(a) Includes management fees of \$.....18,709,172 to affiliates and \$.....0 to non-affiliates.

**EXHIBIT OF NET INVESTMENT INCOME**

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds.....	(a).....249,710	.....459,284
1.1 Bonds exempt from U.S. tax.....	(a).....0	.....0
1.2 Other bonds (unaffiliated).....	(a).....650,580	.....659,591
1.3 Bonds of affiliates.....	(a).....0	.....0
2.1 Preferred stocks (unaffiliated).....	(b).....0	.....0
2.11 Preferred stocks of affiliates.....	(b).....0	.....0
2.2 Common stocks (unaffiliated).....	.....0	.....0
2.21 Common stocks of affiliates.....	.....0	.....0
3. Mortgage loans.....	(c).....0	.....0
4. Real estate.....	(d).....0	.....0
5. Contract loans.....	.....0	.....0
6. Cash/short-term investments.....	(e).....340,447	.....340,447
7. Derivative instruments.....	(f).....0	.....0
8. Other invested assets.....	.....0	.....0
9. Aggregate write-ins for investment income.....	.....35,057	.....35,057
10. Total gross investment income.....	.....1,275,794	.....1,494,379
11. Investment expenses.....		(g).....0
12. Investment taxes, licenses and fees, excluding federal income taxes.....		(g).....0
13. Interest expense.....		(h).....0
14. Depreciation on real estate and other invested assets.....		(i).....0
15. Aggregate write-ins for deductions from investment income.....		.....0
16. Total deductions (Lines 11 through 15).....		.....0
17. Net investment income (Line 10 minus Line 16).....		.....1,494,379

DETAILS OF WRITE-INS		
0901. Intercompany Interest.....	.....35,057	.....35,057
0902. ....	.....0	.....0
0903. ....	.....0	.....0
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.....0	.....0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.....35,057	.....35,057
1501. ....		.....0
1502. ....		.....0
1503. ....		.....0
1598. Summary of remaining write-ins for Line 15 from overflow page.....		.....0
1599. Totals (Lines 1501 thru 1503 plus 1598) (Line 15 above).....		.....0

- (a) Includes \$.....58,639 accrual of discount less \$.....153,843 amortization of premium and less \$.....137,056 paid for accrued interest on purchases.
- (b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.
- (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
- (e) Includes \$.....337,801 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.
- (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to Segregated and Separate Accounts.
- (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.
- (i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.

**EXHIBIT OF CAPITAL GAINS (LOSSES)**

	1  Realized Gain (Loss) on Sales or Maturity	2  Other Realized Adjustments	3  Increases (Decreases) by Adjustment	4  Net Gain or (Loss) from Change in Difference Between Basis Book/ Adjusted Carrying and Admitted Values	5  Total
1. U.S. government bonds.....	.....(53,918)	.....0	.....0	.....0	.....(53,918)
1.1 Bonds exempt from U.S. tax.....	.....0	.....0	.....0	.....0	.....0
1.2 Other bonds (unaffiliated).....	.....122,793	.....0	.....0	.....0	.....122,793
1.3 Bonds of affiliates.....	.....0	.....0	.....0	.....0	.....0
2.1 Preferred stocks (unaffiliated).....	.....0	.....0	.....0	.....0	.....0
2.11 Preferred stocks of affiliates.....	.....0	.....0	.....0	.....0	.....0
2.2 Common stocks (unaffiliated).....	.....0	.....0	.....0	.....0	.....0
2.21 Common stocks of affiliates.....	.....0	.....0	.....0	.....0	.....0
3. Mortgage loans.....	.....0	.....0	.....0	.....0	.....0
4. Real estate.....	.....0	.....0	.....0	.....0	.....0
5. Contract loans.....	.....0	.....0	.....0	.....0	.....0
6. Cash/short-term investments.....	.....(170)	.....0	.....0	.....0	.....(170)
7. Derivative instruments.....	.....0	.....0	.....0	.....0	.....0
8. Other invested assets.....	.....0	.....0	.....0	.....0	.....0
9. Aggregate write-ins for capital gains (losses).....	.....0	.....0	.....0	.....0	.....0
10. Total capital gains (losses).....	.....68,705	.....0	.....0	.....0	.....68,705

DETAILS OF WRITE-INS					
0901. ....	.....0	.....0	.....0	.....0	.....0
0902. ....	.....0	.....0	.....0	.....0	.....0
0903. ....	.....0	.....0	.....0	.....0	.....0
0998. Summary of remaining write-ins for Line 9 from overflow page..	.....0	.....0	.....0	.....0	.....0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.....0	.....0	.....0	.....0	.....0

**EXHIBIT 1 - ANALYSIS OF NONADMITTED ASSETS AND RELATED ITEMS**

	1	2	3
	End of Current Year	End of Prior Year	Change for Year (Increase) or Decrease
1. Summary of Items, Page 2, Lines 12 to 20, Column 2.....	6,110,912	6,746,298	635,386
2. Other nonadmitted assets:			
2.1 Bills receivable.....	0	0	0
2.2 Leasehold improvements.....	0	0	0
2.3 Cash advanced to or in hands of officers and agents.....	0	0	0
2.4 Loans on personal security, endorsed or not.....	0	0	0
2.5 Commuted commissions.....	0	0	0
3. Total (Lines 2.1 to 2.5).....	0	0	0
4. Aggregate write-ins for other than invested assets.....	0	0	0
5. Total (Line 1 plus Lines 3 and 4).....	6,110,912	6,746,298	635,386

**DETAILS OF WRITE-INS**

0401. ....	0	0	0
0402. ....	0	0	0
0403. ....	0	0	0
0498. Summary of remaining write-ins for Line 4 from overflow page.....	0	0	0
0499. Totals (Lines 0401 thru 0403 plus 0498) (Line 4 above).....	0	0	0

**EXHIBIT 2 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY**

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health maintenance organizations.....	35,930	35,791	36,403	36,889	39,804	443,097
2. Provider service organizations.....	0	0	0	0	0	0
3. Preferred provider organizations.....	0	0	0	0	0	0
4. Point of service.....	4,869	4,936	4,707	3,238	3,291	48,858
5. Indemnity only.....	0	0	0	0	0	0
6. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0
7. Total.....	40,799	40,727	41,110	40,127	43,095	491,955

**DETAILS OF WRITE-INS**

0601. ....	0	0	0	0	0	0
0602. ....	0	0	0	0	0	0
0603. ....	0	0	0	0	0	0
0698. Summary of remaining write-ins for Line 6 from overflow page.....	0	0	0	0	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above).....	0	0	0	0	0	0

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**NOTES TO FINANCIAL STATEMENTS**

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1. Summary of Significant Accounting Policies

Accounting Practices

The accompanying financial statements of Aetna Health Inc. (a Maine corporation) (the Company), formerly Aetna U.S. Healthcare Inc. (a Maine corporation), indirectly a wholly-owned subsidiary of Aetna Inc. (Aetna), have been prepared in conformity with accounting practices prescribed and permitted by the Department of Professional and Financial Regulation, Bureau of Insurance of the State of Maine. Such practices vary from accounting principles generally accepted in the United States of America (GAAP) principally in that certain assets reportable under GAAP are "non-admitted" and have been excluded from the accompanying balance sheets and charged directly to net worth, certain investments which would be carried at estimated fair value under GAAP are carried at amortized cost in the accompanying balance sheets, and changes in net deferred tax assets and liabilities are reflected as changes in surplus. Under GAAP, such deferred tax changes are reflected in operations.

The Department of Professional and Financial Regulation, Bureau of Insurance of the State of Maine recognizes only statutory accounting practices prescribed or permitted by the State of Maine for determining and reporting the financial condition and results of operations of an insurance company. The National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures* manual (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the State of Maine.

The Company's net income (loss) and capital and surplus as stated on a NAIC SAP basis and on the basis of practices prescribed or permitted by the State of Maine are the same at December 31, 2003 and 2002.

Use of Estimates in the Preparation of the Financial Statements

The preparation of the financial statements in conformity with NAIC SAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. Actual results could differ from those estimates.

Significant Accounting Policies

The Company uses the following accounting principles:

Cash and short-term investments

Cash and cash equivalents consist of all highly liquid instruments which mature within three months from the date of purchase. Short-term investments consist primarily of investments purchased with an original maturity of 91 days to one year. The carrying amounts of cash and cash equivalents and short-term investments reported in the accompanying balance sheets approximate fair value.

Bonds

Bonds, which include special deposits, are carried at amortized cost. Bond premiums and discounts are amortized using the effective interest method. Fair values of bonds are based on NAIC values. NAIC values are based on the unit prices published by the Securities Valuation Office (SVO) of the NAIC unless the SVO publishes the amortized cost as the unit price, in which case fair values are based on quoted market prices, where available. The cost of bonds sold is based on the specific identification method. Bonds include all investments whose maturity is greater than one year when purchased.

Declines deemed to be other-than-temporary impairments in the cost basis are recognized as realized capital losses.

Premiums and amounts due and unpaid

Premium revenue for prepaid health care is recognized as income in the month in which the enrollees are entitled to health care services. Premiums collected in advance are reported as premiums received in advance.

Non-admitted amounts consist of all premiums receivable greater than 90 days due, with the exception of amounts due under government insured plans, which are admitted assets. In addition, for any customer in which the premiums receivable which are greater than 90 days due is more than a de minimus portion of the entire premiums receivable balance for that customer, the entire premiums receivable balance for that customer is non-admitted. Management also performs a specific review of accounts and based on the results of the review, consideration is given to non-admitting additional amounts. After the calculation of the non-admitted amounts, the Company evaluates the remaining admitted assets, including those due from government insured plans, and if it is probable that any additional amounts are uncollectible, those uncollectible amounts are written off and charged to revenue in the period the determination is made. Uncollectible amounts are generally written off and charged to revenue in the period in which the customer reconciliations are completed and agreed to by the customer (retroactivity) or when the account is determined to be uncollectible (bad debt).



Medical and hospital costs and claims adjustment expenses and related reserves

Medical and hospital costs consist principally of medical claims and capitation costs. Claims unpaid include estimates of payments to be made on claims reported as of the balance sheet date and estimates of health care services incurred but not reported to the Company as of the balance sheet date. Such estimates are developed using actuarial principles and assumptions which consider, among other things, contracted requirements, historical utilization trends and payment patterns, medical inflation, product mix, seasonality and other relevant factors. Changes in estimates are recorded in medical and hospital costs in current earnings in the period they are determined. Capitation costs represent monthly fees paid to participating physicians and other medical providers for providing continuing medical care.

The Company uses the triangulation method to estimate the required claims incurred but not reported reserves. The method of triangulation makes estimates of completion factors which are then applied to the total paid claims net of coordination of benefits to date for each incurral month. This provides an estimate of the total projected incurred claims and total amount outstanding or claims incurred but not reported (claims unpaid). Consideration is also given to changes in turnaround time and claim processing which may impact the completion factors.

Claims adjustment expenses represent costs incurred related to the claim settlement process such as costs to record, process and adjust claims. These expenses, which are included in the Company's management agreement described in Note 10, are calculated using a percentage of current medical and hospital costs, which is based on historical cost experience.

For the most current dates of service where there is insufficient paid claim data to rely solely on the completion factor method, the Company examines cost and utilization trends as well as environmental factors, plan changes, provider contracts, membership changes, and historical seasonal patterns to estimate the reserve required for these months.

Reserve for future contingent benefits

The reserve for future contingent benefits includes the estimated cost of services which will continue to be incurred after the balance sheet date if the Company is obligated to pay for such services in accordance with contract provisions or regulatory requirements. These balances are recorded in aggregate claim reserves on the balance sheet and are estimated using a percentage of current medical and hospital costs, which are based on historical cost experience.

Covered and uncovered expenses and related liabilities

Covered expenses and related liabilities represent costs for health care expenses for which a member is not responsible in the event of the insolvency of the Company. Uncovered expenses and related liabilities represent costs to the Company for health care services that are the obligation of the Company and for which a member may also be liable in the event of the Company's insolvency.

Federal Income Taxes

In accordance with the written tax sharing agreement approved, the Company's current federal income tax provisions are generally computed as if the Company were filing a separate federal income tax return; current income tax benefits, including those resulting from net operating losses, are recognized to the extent realized in the consolidated return. Pursuant to this agreement, the Company has the enforceable right to recoup federal income taxes paid in prior years in the event of future net losses, which it may incur, or to recoup its net losses carried forward as an offset to future net income subject to federal income taxes.

Deferred income tax assets and liabilities (generally as defined in SFAS No. 109, *Accounting for Income Taxes* (GAAP)) represent the expected future tax consequences of temporary differences generated by statutory accounting. Deferred income tax assets and liabilities are computed by means of identifying temporary differences which are measured using a balance sheet approach whereby statutory and tax basis balance sheets are compared. Current income tax recoverables include all current income taxes, including interest, reasonably expected to be recovered in a subsequent accounting period.

Deferred income tax assets under NAIC SAP, are admitted in an amount equal to the sum of (1) previously paid federal income taxes which are expected to be recovered through loss carrybacks for existing temporary differences which reverse within a year and (2) the lesser of the amount of gross deferred tax assets expected to be realized within one year of the balance sheet date, or ten percent of statutory capital and surplus and (3) the amount of gross deferred tax assets, after the application of (1) and (2), that can be offset against existing gross deferred tax liabilities. As of January 1, 2002, NAIC SAP requires that deferred tax assets can only be admitted through loss carrybacks to the extent that the Company paid or was allocated taxes as a separate legal entity. In addition, deferred tax assets that the Company expects to realize within one year of the balance sheet date on a separate legal entity basis cannot be admitted if the Company projects a tax loss, even if the loss could offset taxable income of other members in the consolidated group.

Net deferred income tax assets are classified as federal income taxes recoverable in the accompanying financial statements. Changes in deferred tax assets and deferred tax liabilities are recognized as a separate component of gains and losses in surplus ("Changes in net deferred tax assets") except to the extent allocated to changes in unrealized gains and losses. Changes in deferred tax assets and liabilities allocated to unrealized gains and losses are netted against the related changes in unrealized gains and losses and are reported as "Net unrealized capital gains and losses", also a separate component of gains and losses in surplus.

Reclassifications

Certain reclassifications have been made to the 2002 financial statements to conform with the classifications used in 2003. Specifically, federal and foreign income tax recoverable/payable are now presented as two separate line items on the Assets and Liabilities pages, current federal and foreign income tax recoverable/payable and interest thereon and deferred tax asset/liability. Also, ceded reinsurance premiums payable have been reclassified out of amounts due to parent, subsidiaries and affiliates and are presented as a separate line on the Liabilities page.

2. Accounting Changes and Corrections of Errors

During the first quarter of 2002's financial statement preparation, the Company discovered an error in the reporting of premium receivable non-admitted assets. In the prior year, non-admitted Accident and health premiums due and unpaid (Assets page, Line 10, Column 2) were understated by \$490,029. Line 4702 on the Statement of Revenue and Expenses (continued) page has been adjusted in the current year to correct this error.

3. Business Combinations and Goodwill

The Company was not a part of any business combinations that involved the statutory purchase method, a statutory merger, or an impairment loss.

4. Discontinued Operations

The Company did not have discontinued operations.

5. Investments

The Company had no mortgage loans, debt restructuring, reverse mortgages, loan backed securities, or repurchase agreements.

6. Joint Ventures, Partnerships, and Limited Liability Companies

The Company had no joint ventures, partnerships, or limited liability companies that exceeded 10% of its admitted assets.

7. Investment Income

Investment income due and accrued with amounts that are over 90 days old was zero.

8. Derivative Instruments

The Company does not have derivative instruments.

9. Income Taxes

A. The components of the net deferred tax assets recognized in the Company's Assets, Liabilities, Surplus and Other Funds are as follows:

	December 31	
	2003	2002
Total of gross deferred tax assets	\$6,694,487	\$7,747,409
Total of deferred tax liabilities	(15,054)	(371,060)
Net deferred tax asset	6,679,433	7,376,349
Deferred tax asset nonadmitted	(5,703,815)	(6,334,293)
Net admitted deferred tax asset	\$975,618	\$1,042,056
(Increase) decrease in nonadmitted asset	\$630,478	\$26,720

B. There are no deferred tax liabilities that are not recognized.

C.1 The provisions for incurred taxes on earnings for the years ended December 31 are:

	2003	2002
Federal - current year	\$4,660,550	\$4,697,254
Federal income tax on net capital gains	24,047	110,328
Federal - prior year	(50,092)	39,209
Federal income taxes incurred	\$4,634,505	\$4,846,791

C.2 The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities are as follows:

	December 31	
	2003	2002
Deferred tax assets:		
Goodwill	\$6,283,271	\$6,614,491
Allowance for billing	80,004	-
Other	331,212	1,132,918
Total deferred tax assets	6,694,487	7,747,409
Nonadmitted deferred tax assets (liabilities)	(5,703,815)	(6,334,293)
Admitted deferred tax assets	990,672	1,413,116
Deferred tax liabilities:		
Allowance for billing adjustment	-	371,060
Other	15,054	-
Total deferred tax liabilities	15,054	371,060
Net admitted deferred tax assets	\$975,618	\$1,042,056

The change in net deferred income taxes is comprised of the following

	December 31		
	2003	2002	Change
Total deferred tax assets	\$6,694,487	\$7,747,409	\$(1,052,922)
Total deferred tax liabilities	(15,054)	(371,060)	356,006
Net deferred tax asset	\$6,679,433	\$7,376,349	(696,916)
Tax effect of unrealized gains (losses)			-
Change in net deferred income tax			\$(696,916)

D. The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory Federal income tax rate to income before income taxes. The significant items causing this difference are as follows:

	December 31, 2003	Effective Tax Rate
Provision computed as statutory rate	\$4,884,060	35.0%
True-up of prior year tax expense	(50,092)	(0.4)%
Other	497,453	3.6%
Total	\$5,331,421	38.2%
Federal and foreign income taxes incurred	\$4,634,505	33.2%
Change in net deferred income taxes	696,916	5.0%
Total statutory income taxes	\$5,331,421	38.2%

E.1 As of December 31, 2003, the Company has no net capital loss or net operating loss carryforwards for tax purposes.

E.2 The amount of Federal income taxes incurred that are available for recoupment in the event of future net losses are:

Year	Amount
2003	\$4,684,599
2002	\$4,769,849

F.1 As of December 31, 2003, the Company's Federal Income Tax Return is consolidated with the following entities:

Common Parent Corporation - Aetna Inc.	Aetna Health Insurance Company of New York
@ Credentials Inc.	Aetna Health of California Inc.
Aelan Inc.	Aetna Health of Illinois Inc.
AET Health Care Plan of California, Inc.	Aetna Health of the Carolinas Inc.
AET Health Care Plan, Inc. (TX) [fka Prudential Healthcare Plan, Inc.]	Aetna Integrated Informatics, Inc. [fka U.S. Quality Algorithms, Inc.]
Aetna Dental Inc. (Delaware)	Aetna IntelliHealth Inc. [fka Intellihealth Inc.]
Aetna Dental Inc. (New Jersey)	Aetna Life & Casualty (Bermuda) Limited
Aetna Dental Inc. (Pennsylvania)	Aetna Risk Indemnity Company Limited

Aetna Dental Inc. (Texas)	Aetna U.S. Healthcare Holdings, Inc. (Delaware)
Aetna Dental Maintenance Organization, Inc.	AUSHC Holdings, Inc. (Connecticut)
Aetna Dental of California Inc.	Chickering Claims Administrators, Inc.
Aetna Health and Life Insurance Company	Chickering Benefit Planning Insurance Agency
Aetna Health Inc. (Arizona)	Corporate Health Insurance Company
Aetna Health Inc. (Colorado)	Criterion Communications, Inc.
Aetna Health Inc. (Connecticut)	ETHIX Northwest, Inc.
Aetna Health Inc. (Delaware)	Informed Health, Inc.
Aetna Health Inc. (Florida)	Integrated Pharmacy Solutions, Inc.
Aetna Health Inc. (Georgia)	Lone Star Health Plan, Inc.
Aetna Health Inc. (Maine)	Luettgens Limited
Aetna Health Inc. (Maryland)	Managed Care Coordinators, Inc.
Aetna Health Inc. (Massachusetts)	New York Life and Health Insurance Company
Aetna Health Inc. (Michigan)	NYLCare Health Plans, Inc.
Aetna Health Inc. (Missouri)	NYLCare of New England, Inc.
Aetna Health Inc. (New Hampshire)	NYLCare of Texas, Inc.
Aetna Health Inc. (New Jersey)	One Liberty Plaza Holdings, Inc.
Aetna Health Inc. (New York)	Primary Holdings, Inc.
Aetna Health Inc. (Ohio)	Primary Investments, Inc.
Aetna Health Inc. (Oklahoma)	Sanus of New York and New Jersey, Inc.
Aetna Health Inc. (Pennsylvania)	The ETHIX Corporation
Aetna Health Inc. (Tennessee)	U.S. Health Aviation Corp.
Aetna Health Inc. (Texas)	U.S. Healthcare Properties, Inc.
Aetna Health Inc. (Washington)	U.S. Patriotcare, Inc.
Aetna Health Insurance Company of Connecticut	

F.2 As explained in Note 1, the Company participates in a tax sharing agreement with Aetna Inc. and Aetna Inc.'s other subsidiaries.

10. Information Concerning Parent, Subsidiaries, and Affiliates

The Company has the following significant transactions with affiliates:

The Company entered into an agreement with Aetna Health Management, LLC (AHM), formerly Aetna Health Management, Inc., a wholly-owned subsidiary of Aetna to provide the Company with management, marketing, financial, and administrative services. The charges for such services were \$18,709,172 and \$20,612,087 in 2003 and 2002, respectively. Interest earned on amounts due from affiliates were \$35,057 in 2003 and \$94,703 in 2002. Interest incurred on amounts due to affiliates was \$3,679 in 2003.

The Company entered into a specific excess loss reinsurance agreement with Corporate Health Insurance Company, a wholly-owned subsidiary of Aetna. The agreement provides for the Company to be reimbursed for 100% of eligible losses, as defined, paid on behalf of any insured during the policy period. Reimbursement is subject to a specific deductible of \$500,000. The policy period is defined as the twelve month period beginning on the effective date of the agreement.

The Company paid reinsurance premiums of \$344,369 and \$442,753 in 2003 and 2002, respectively. The Company did not realize any net reinsurance recoveries in 2003. The Company realized net reinsurance recoveries of \$4,534 in 2002.

The Company has entered into an arrangement, which enables it to receive manufacturers' pharmacy rebates from AHM. The Company earned pharmacy rebates of \$2,315,748 and \$2,686,554 which were recorded as a reduction of medical costs, in 2003 and 2002, respectively.

The Company has a guarantor agreement with Aetna. The agreement provides that in the event of the Company's insolvency, Aetna will pay all expenses and claims incurred by the Company during insolvency pursuant to the obligation with employer groups and subscribers until the end of the subscription contract period for which premiums have been received.

As explained in Note 1, the Company participates in a tax sharing agreement with Aetna and Aetna's other subsidiaries. All federal income tax receivables are due from/due to Aetna.

The Company paid \$9,200,000 in dividends to its parent in 2003. The Company did not pay dividends in 2002. The company did not receive capital contributions in 2003 or 2002.

The Company was a wholly owned subsidiary of NYLCare Health Plans, Inc., whose ultimate parent is Aetna Inc. On December 31, 2003, NYLCare Health Plans, Inc. contributed all of the outstanding capital stock of Aetna Health Inc. (a Maine corporation) (NAIC 95517) (FEIN 01-0504252) to Aetna Health Holdings, LLC (FEIN 30-0123754). Following this transaction, the Company became a wholly-owned subsidiary of Aetna Health Holdings, LLC.

The Company does not hold any investments in any affiliate.

The Company does not own shares of any upstream intermediate or Aetna.

The Company has not made any guarantees for the benefit of an affiliate.

11. Debt

The Company has no debt.

12. Retirement Plans, Deferred Compensation Postemployment and Compensated Absences and Other Postretirement Benefit Plans

The Company does not have a retirement plan, deferred compensation plan, or other postretirement benefit plan.

13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations

The Company has 1,000,000 shares of common stock with \$1 stated value authorized, issued and outstanding.

The Company has no preferred stock outstanding.

Dividend Restrictions

Under the laws of the State of Maine, the Company shall not pay any extraordinary dividend or make any other extraordinary distribution until sixty days after the Commissioner has received notice of the declaration thereof and has not within such period disapproved such payment or the commissioner has approved such payment within such sixty day period. An extraordinary dividend or distribution includes any dividend or distribution that exceeds the greater of: ten percent of such insurer's surplus as regards policyholders as of December 31st of the preceding year; or the net gain from operations for the twelve month period ending December 31st of the preceding year.

The Company may make a non-extraordinary dividend with prior notification to the Maine Superintendent of Insurance within five business days following the declaration of any non-extraordinary dividend and at least ten days prior to the payment of any non-extraordinary dividend.

In addition, any dividend or distribution declared at any time within five years following any acquisition of control of a domestic insurer or by any person controlling that insurer is an extraordinary dividend if it has not been approved by a number of continuing directors equal to a majority of the continuing directors in office immediately preceding the acquisition of control.

The portion of the Company's profits that may be paid as ordinary dividends to stockholders is \$0.

There were no restrictions placed on the Company's surplus, including for whom the surplus is being held.

The Company is not holding stock for any special purposes.

The portion of unassigned funds (surplus) represented or reduced by each item below is as follows:

a. Unrealized gains and losses:	\$0
b. Nonadmitted asset values:	\$6,110,912
c. Special account business:	\$0
d. Asset valuation reserves:	\$0
e. Provision for reinsurance:	\$0

The Company does not have special surplus funds, surplus notes, or quasi-reorganizations.

14. Contingencies

Aetna and its subsidiaries are involved in certain claims and legal actions arising, for the most part, in the ordinary course of business operations, concerning benefit plan coverage, medical malpractice and other litigation. If found liable in such actions, which are vigorously defended on several grounds, Aetna and its subsidiaries may bear financial responsibility. In addition, the Company's business practices are subject to review by various state insurance and health care regulatory authorities and federal regulatory authorities. Recently, there has been heightened review by these regulators of the managed health care industry's business practices, including utilization management, delegated arrangements and claim payment practices. The Company is regularly the subject of such reviews and several such reviews currently are pending, some of which may be resolved during 2004. These reviews may result in changes to or clarifications of the Company's business practices, and may result in fines, penalties or other sanctions. In the opinion of management, while the ultimate outcome of these actions and these regulatory proceedings cannot be determined at this time, after consideration of the defenses available to Aetna and its subsidiaries, applicable insurance coverage and any related reserves established, they are not expected to result in liability for amounts material to the financial condition of the Company.

In the ordinary course of business, the Company is involved in and is subject to claims, contractual disputes with providers and other uncertainties. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the Company's financial condition or results of operations.

15. Leases

The Company has no material lease obligations at this time.

16. Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentration of Credit Risk

The Company does not have financial instruments with off-balance sheet risk or financial instruments with concentration of credit risk.

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

The Company does not have transfers of receivables reported as sales, transfers and servicing of financial assets, or wash sales.

18. Gain or Loss to the HMO from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans

The Company did not serve as an Administrative Services Only or as an Administrative Services Contract plan administrator for uninsured accident and health plans or the uninsured portion of partially insured plans.

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

The Company does not have direct premiums written through/produced by managing general agents or third party administrators.

20. September 11 Events

The Company has no contingent unpaid claims or no material losses related to September 11 events. The Company will continue to monitor the potential impact of these events and their aftermath, including the threat of terrorism, on its business, including their potential impact on claims in future periods.

21. Other Items

A. Extraordinary Items

The Company does not have extraordinary items.

B. Troubled Debt Restructuring: Debtors

The Company does not have troubled debt restructuring.

C. Other Disclosures

Minimum Net Worth

Under the laws of the State of Maine, the Company is required to maintain a minimum net worth equal to the greater of (1) \$1,000,000; (2) 2% of the annual premium revenues as reported by the Company on its most recent annual financial statement filed with the Superintendent for the first \$150,000,000 of premium reported and 1% of the annual premium in excess of the first \$150,000,000 of premium reported; (3) an amount equal to the sum of three months of uncovered health care expenditures; or (4) an amount equal to the sum of 8% of the annual health care expenditures (not including those expenditures paid on a capitated basis and those made on a managed hospital payment basis) plus 4% of the annual hospital expenditures paid on a managed hospital payment basis.

At December 31, 2003 and 2002, the Company's net worth exceeded all such requirements.

The NAIC and the State of Maine adopted risk-based capital (RBC) standards for health organizations, including HMOs, that are designed to identify companies that may be under capitalized by comparing the company's adjusted net worth to its required net worth (RBC ratio). The RBC ratio is designed to reflect the risk profile of the company. Within certain ratio ranges, regulators have increasing authority to take action as the RBC ratio decreases. There are four levels of regulatory action, ranging from requiring insurers to submit a comprehensive plan to the state insurance commissioner to requiring the state insurance commissioner to place the insurer under regulatory control. At December 31, 2003 and 2002, the Company has net worth that exceeded the highest threshold specified by the RBC rules.

D. The Company does not have any receivable balances due from insurance agents or brokers, and it does not have uninsured plans or retrospectively rated contracts. Therefore, there are no balances for assets that would be reasonably possible to be uncollectible.

22. Events Subsequent

The Company does not have any material subsequent events.

23. Reinsurance

Ceded Reinsurance Report

Section 1 – General Interrogatories

- (1) Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the company or by any representative, officer, trustee, or director of the company?  
Yes ( )      No (X)  
If yes, give full details.
  
- (2) Have any policies issued by the company been reinsured with a company chartered in a country other than the United States (excluding U.S. branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business?  
Yes ( )      No (X)  
If yes, give full details.

Section 2 – Ceded Reinsurance Report – Part A

- (1) Does the company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than nonpayment of premium or other similar credit?  
Yes ( )      No (X)
  - a. If yes, what is the estimated amount of the aggregate reduction in surplus of a unilateral cancellation by the reinsurer as of the date of this statement, for those agreements in which cancellation results in a net obligation of the HMO to the reinsurer, and for which such obligation is not presently accrued? Where necessary, the reporting entity may consider the current or anticipated experience of the business reinsured in making this estimate.  
\$ N/A.
  
  - b. What is the total amount of reinsurance credits taken, whether as an asset or as a reduction of liability for these agreements in this statement?  
\$ N/A.
  
- (2) Does the HMO have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?  
Yes ( )      No (X)  
If yes, give full details.

Section 3 – Ceded Reinsurance Report – Part B

- (1) What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the insurer may unilaterally cancel for reasons other than for nonpayment of payment or other similar credits that are reflected in Section 2 above) of termination of ALL reinsurance agreements, by either party, as of the date of this statement? Where necessary, the company may consider the current or anticipated experience of the business reinsured in making this estimate. \$(30,166)
  
- (2) Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the company as of the effective date of the agreement?  
Yes ( )      No (X)  
If yes, what is the amount of reinsurance credit, whether an asset or a reduction of liability, taken for such new agreements or amendments? \$ N/A.

The Company does not have uncollectible reinsurance or commutation of ceded reinsurance.

See Note 10 for reinsurance agreements with affiliated companies.

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

The Company does not have retrospectively rated contracts or contracts subject to redetermination.

25. Change in Incurred Claims and Claims Adjustment Expense

The following schedule represents the changes in incurred claims and claims adjustment expense from the beginning of the year to the end of the year.

(amounts in thousands)	2003	2002
Balance, January 1	\$15,116	\$25,747
Incurred related to:		
Current year	123,492	140,292
Prior years	(2,106)	(5,377)
Total incurred	121,386	134,915
Paid related to:		
Current year	105,358	126,185
Prior years	12,284	19,361
Total paid	117,642	145,546
Balance, December 31	\$18,860	\$15,116

Reserves for incurred claims and claim adjustment expenses attributable to insured events of prior years has decreased by \$2.1 million from \$15.1 million in 2002 to \$13.0 million in 2003 as a result of the payment of claims and claim adjustment expenses and the reestimation of unpaid claims and claim adjustment expenses. This decrease is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased as additional information becomes known regarding individual claims. No additional premium or return premium has been accrued as a result of prior year effects.

Net coordination of benefits are implicit in the claims incurred but not reported calculation and can not be specifically identified.

26. Intercompany Pooling Arrangements

The Company has no intercompany pooling arrangements.

27. Structured Settlements

Not applicable to health entities.

28. Health Care Receivables

Pharmacy Rebates

The Company receives pharmacy rebates through an arrangement with an affiliated pharmaceutical benefits management company (PBM), AHM. AHM has contractual agreements with pharmaceutical companies for rebates, which cover the Company's membership as well as the membership of other Aetna affiliates. The Company receives from AHM those rebates related to the Company's membership. The Company estimates pharmaceutical rebates receivable based upon the historical payment trends, actual utilization and other variables. Estimated rebates are adjusted in a subsequent month's estimate to reflect actual billings after bills are rendered. Therefore, as presented below, pharmacy rebates as invoiced are assumed to be equal to estimated rebates. Actual rebates collected are applied to the collection periods below, using a first in first out methodology. The Company reports pharmaceutical rebates receivable as amounts due from affiliates. Pharmacy rebates over 90 days due are non-admitted.



The following table discloses the quarterly revenue and subsequent cash collections relating to the pharmacy rebates discussed in Note 10.

Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Invoiced/ Confirmed	Actual Rebates Collected Within 90 Days of Invoicing/ Confirmation	Actual Rebates Collected Within 91 to 180 Days of Invoicing/ Confirmation	Actual Rebates Collected More Than 180 Days After Invoicing/ Confirmation
12/31/2003	\$611,651	-	-	-	-
9/30/2003	\$560,158	\$560,158	\$560,158	-	-
6/30/2003	\$658,276	\$658,276	\$658,276	-	-
3/31/2003	\$485,663	\$485,663	\$485,663	-	-
12/31/2002	\$690,534	\$690,534	\$690,534	-	-
9/30/2002	\$736,563	\$736,563	\$736,563	-	-
6/30/2002	\$622,895	\$622,895	\$622,895	-	-
3/31/2002	\$636,562	\$636,562	\$577,155	\$59,407	-
12/31/2001	\$892,842	\$892,842	\$801,696	\$91,146	-
9/30/2001	\$974,155	\$974,155	\$587,823	\$386,332	-
6/30/2001	\$1,120,346	\$1,120,346	\$853,138	\$267,208	-
3/31/2001	\$740,845	\$740,845	\$740,845	-	-

Risk Sharing Receivables

The Company has no admitted risk sharing receivables.

29. Participating Policies

The Company has no participating policies.

30. Premium Deficiency Reserves

The Company has no premium deficiency reserves.

31. Anticipated Salvage and Subrogation

See discussion of Medical costs and claims adjustment expenses and related reserves in Note 1.

**SUMMARY INVESTMENT SCHEDULE**

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement	
	1 Amount	2 Percentage	3 Amount	4 Percentage
1. Bonds:				
1.1 U.S. treasury securities.....	19,823,389	36.5	19,823,389	36.5
1.2 U.S. government agency and corporate obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies.....	10,056,813	18.5	10,056,813	18.5
1.22 Issued by U.S. government sponsored agencies.....	0	0.0	0	0.0
1.3 Foreign government (including Canada, excluding mortgage-backed securities).....	0	0.0	0	0.0
1.4 Securities issued by states, territories and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations.....	0	0.0	0	0.0
1.42 Political subdivisions of states, territories & possessions & political subdivisions general obligations...	3,968,194	7.3	3,968,194	7.3
1.43 Revenue and assessment obligations.....	0	0.0	0	0.0
1.44 Industrial development and similar obligations.....	0	0.0	0	0.0
1.5 Mortgage-backed securities (includes residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Guaranteed by GNMA.....	0	0.0	0	0.0
1.512 Issued by FNMA and FHLMC.....	10,277,070	18.9	10,277,070	18.9
1.513 Privately issued.....	0	0.0	0	0.0
1.52 CMOs and REMICs:				
1.521 Issued by FNMA and FHLMC.....	0	0.0	0	0.0
1.522 Privately issued and collateralized by MBS issued or guaranteed by GNMA, FNMA or FHLMC.....	0	0.0	0	0.0
1.523 All other privately issued.....	0	0.0	0	0.0
2. Other debt and other fixed income securities (excluding short-term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans rated by the SVO).....	1,998,904	3.7	1,998,904	3.7
2.2 Unaffiliated foreign securities.....	0	0.0	0	0.0
2.3 Affiliated securities.....	0	0.0	0	0.0
3. Equity interests:				
3.1 Investments in mutual funds.....	0	0.0	0	0.0
3.2 Preferred stocks:				
3.21 Affiliated.....	0	0.0	0	0.0
3.22 Unaffiliated.....	0	0.0	0	0.0
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated.....	0	0.0	0	0.0
3.32 Unaffiliated.....	0	0.0	0	0.0
3.4 Other equity securities:				
3.41 Affiliated.....	0	0.0	0	0.0
3.42 Unaffiliated.....	0	0.0	0	0.0
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated.....	0	0.0	0	0.0
3.52 Unaffiliated.....	0	0.0	0	0.0
4. Mortgage loans:				
4.1 Construction and land development.....	0	0.0	0	0.0
4.2 Agricultural.....	0	0.0	0	0.0
4.3 Single family residential properties.....	0	0.0	0	0.0
4.4 Multifamily residential properties.....	0	0.0	0	0.0
4.5 Commercial loans.....	0	0.0	0	0.0
4.6 Mezzanine real estate loans.....	0	0.0	0	0.0
5. Real estate investments:				
5.1 Property occupied by company.....	0	0.0	0	0.0
5.2 Property held for production of income (includes \$.....0 of property acquired in satisfaction of debt).....	0	0.0	0	0.0
5.3 Property held for sale (\$.....0 including property acquired in satisfaction of debt).....	0	0.0	0	0.0
6. Policy loans.....	0	0.0	0	0.0
7. Receivables for securities.....	0	0.0	0	0.0
8. Cash and short-term investments.....	8,178,199	15.1	8,178,199	15.1
9. Other invested assets.....	0	0.0	0	0.0
10. Total invested assets.....	54,302,569	100.0	54,302,569	100.0

**GENERAL INTERROGATORIES**

**PART 1 - COMMON INTERROGATORIES**

**GENERAL**

1.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?

Yes [ X ]

No [   ]

1.2

If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes [ X ]

No [   ]

N/A [   ]

1.3

State regulating?

Maine

2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes [   ]

No [ X ]

2.2

If yes, date of change:  
If not previously filed, furnish herewith a certified copy of the instrument as amended.

N/A

3.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2001

3.2

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/2001

3.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

04/23/2003

3.4

By what department or departments?

Maine Bureau of Insurance

4.1

During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under a common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.11

sales of new business?

Yes [   ]

No [ X ]

4.12

renewals?

Yes [   ]

No [ X ]

4.2

During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.21

sales of new business?

Yes [   ]

No [ X ]

4.22

renewals?

Yes [   ]

No [ X ]

5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes [   ]

No [ X ]

5.2

If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile
N/A	0	

6.1

Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action, either formal or informal, if a confidentiality clause is part of the agreement.)

Yes [   ]

No [ X ]

6.2

If yes, give full information:

N/A

7.1

Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes [   ]

No [ X ]

7.2

If yes,

7.21

State the percentage of foreign control.

.....%

7.22

State the nationality(ies) of the foreign person(s) or entity(ies); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(ies) (e.g., individual, corporation, government, manager or attorney-in-fact)

1 Nationality	2 Type of Entity
N/A	

**GENERAL INTERROGATORIES (continued)**

8.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes [ ☐ ]

No [ ☒ ]

8.2

If response to 8.1 is yes, please identify the name of the bank holding company.

N/A

8.3

Is the company affiliated with one or more banks, thrifts or securities firms?

Yes [ ☐ ]

No [ ☒ ]

8.4

If response to 8.3 is yes, please provide the names and location (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC) and identify the affiliate's primary federal regulator].

1	2	3	4	5	6	7
Affiliate Name	Location (City, State)	FRB	OCC	OTS	FDIC	SEC
N/A						

9.

What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?

KPMG LLP

One Financial Plaza, 755 Main Street, Hartford, CT 06103

10.

What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with a(n) actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?

James E. Gingrich, Jr., Actuary

980 Jolly Road, Blue Bell, PA 19422

11.

FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

11.1

What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?

N/A

11.2

Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?

Yes [ ☐ ]

No [ ☐ ]

11.3

Have there been any changes made to any of the trust indentures during the year?

Yes [ ☐ ]

No [ ☐ ]

11.4

If answer to (11.3) is yes, has the domiciliary or entry state approved the changes?

Yes [ ☐ ]

No [ ☐ ]

N/A [ ☐ ]

**BOARD OF DIRECTORS**

12.

Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof?

Yes [ ☒ ]

No [ ☐ ]

13.

Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof?

Yes [ ☒ ]

No [ ☐ ]

14.

Has the reporting entity an established procedure for disclosure to its Board of Directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees which is in or is likely to conflict with the official duties of such person?

Yes [ ☒ ]

No [ ☐ ]

**FINANCIAL**

15.1

Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

15.11

To directors or other officers

.....0

15.12

To stockholders not officers

.....0

15.13

Trustees, supreme or grand (Fraternal only)

.....0

15.2

Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):

15.21

To directors or other officers

.....0

15.22

To stockholders not officers

.....0

15.23

Trustees, supreme or grand (Fraternal only)

.....0

16.1

Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?

Yes [ ☐ ]

No [ ☒ ]

16.2

If yes, state the amount thereof at December 31 of the current year:

16.21

Rented from others

.....N/A

16.22

Borrowed from others

.....N/A

16.23

Leased from others

.....N/A

16.24

Other

.....N/A

Disclose in the Notes to Financial the nature of each obligation.

17.1

Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments?

Yes [ ☒ ]

No [ ☐ ]

17.2

If answer is yes:

17.21

Amount paid as losses or risk adjustment

.....0

17.22

Amount paid as expenses

\$.....49,358

17.23

Other amounts paid

.....0

**GENERAL INTERROGATORIES (continued)**

**INVESTMENT**

18. List the following capital stock information for the reporting entity:

Class	1 Number of Shares Authorized	2 Number of Shares Outstanding	3 Par Value Per Share	4 Redemption Price If Callable	5 Is Dividend Rate Limited?	6 Are Dividends Cumulative?
Preferred.....	.....0	.....	.....	.....	...Yes [ ].....No [ ].....	...Yes [ ]....No [ ].....
Common.....	.....1,000,000.000	.....1,000,000.000	.....1.00	.....XXX.....	.....XXX.....XXX.....	.....XXX.....XXX...

19.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date, except as shown by Schedule E-Part 3-Special Deposits? Yes [ X ] No [ ]

19.2 If no, give full and complete information relating thereto.  
N/A

20.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, except as shown on Schedule E-Part 3-Special Deposits, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 16.1) Yes [ ] No [ X ]

20.2 If yes, state the amount thereof at December 31 of the current year:

20.21 Loaned to others

20.22 Subject to repurchase agreements

20.23 Subject to reverse repurchase agreements

20.24 Subject to dollar repurchase agreements

20.25 Subject to reverse dollar repurchase agreements

20.26 Pledged as collateral

20.27 Placed under option agreements

20.28 Letter stock or securities restricted as to sale

20.29 Other

.....N/A

.....N/A

.....N/A

.....N/A

.....N/A

.....N/A

.....N/A

.....N/A

.....N/A

20.3 For each category above, if any of these assets are held by others, identify by whom held:

20.31 N/A

20.32 N/A

20.33 N/A

20.34 N/A

20.35 N/A

20.36 N/A

20.37 N/A

20.38 N/A

20.39 N/A

For categories (20.21) and (20.23) above, and for any securities that were made available for use by another person during the period covered by this statement, attach a schedule as shown in the instructions to the annual statement.

20.4 For category (20.28) provide the following:

1 Nature of Restriction	2 Description	3 Amount
N/A		

21.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [ ] No [ X ]

21.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [ ] No [ ] N/A [ X ]  
If no, attach a description with this statement.

22.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [ ] No [ X ]

22.2 If yes, state the amount thereof at December 31 of the current year: .....N/A

Statement as of December 31, 2003 of the

Aetna Health Inc. (a Maine corporation)

GENERAL INTERROGATORIES (continued)

INVESTMENT

23. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Part 1-General, Section IV.H-Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

Yes [ X ]      No [ ]

23.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1	2
Name of Custodian(s)	Custodian's Address
State Street Bank & Trust Co.	225 Franklin Street, Boston, MA 02110

23.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1	2	3
Name(s)	Location(s)	Complete Explanation(s)
All agreements comply		

23.03 Have there been any changes, including name changes, in the custodian(s) identified in 23.01 during the current year?

Yes [ ]      No [ X ]

23.04 If yes, give full and complete information relating thereto:

1	2	3	4
Old Custodian	New Custodian	Date of Change	Reason
N/A			

23.05 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1	2	3
Central Registration Depository Number(s)	Name	Address
N/A		

24.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5(b)(1)])?

Yes [ ]      No [ X ]

24.2 If yes, complete the following schedule:

1	2	3
CUSIP #	Name of Mutual Fund	Book/Adjusted Carrying Value
9999999. TOTAL		0

24.3 For each mutual fund listed in the table above, complete the following schedule:

1	2	3	4
Name of Mutual Fund (from the above table)	Name of Significant Holding of the Mutual Fund	Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to Holding	Date of Valuation
N/A			

Statement as of December 31, 2003 of the

Aetna Health Inc. (a Maine corporation)

GENERAL INTERROGATORIES (continued)

OTHER

25.1

Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any?

.....0

25.2

List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.

1	2
Name	Amount Paid
N/A	

26.1

Amount of payments for legal expenses, if any?

.....0

26.2

List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1	2
Name	Amount Paid
N/A	

27.1

Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any?

.....0

27.2

List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1	2
Name	Amount Paid
N/A	

**GENERAL INTERROGATORIES (continued)**

**PART 2 - HEALTH INTERROGATORIES**

1.1

Does the reporting entity have any direct Medicare Supplement Insurance in force?

Yes [ ☐ ]

No [ ☒ ]

1.2

If yes, indicate premium earned on U.S. business only

\$.....0

1.3

What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?

\$.....0

1.31

Reason for excluding

N/A

1.4

Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.

\$.....0

1.5

Indicate total incurred claims on all Medicare Supplement insurance.

\$.....0

1.6

Individual policies:

Most current three years:

1.61

Total premium earned

\$.....0

1.62

Total incurred claims

\$.....0

1.63

Number of covered lives

.....0

All years prior to most current three years:

1.64

Total premium earned

\$.....0

1.65

Total incurred claims

\$.....0

1.66

Number of covered lives

.....0

1.7

Group policies:

Most current three years:

1.71

Total premium earned

\$.....0

1.72

Total incurred claims

\$.....0

1.73

Number of covered lives

.....0

All years prior to most current three years:

1.74

Total premium earned

\$.....0

1.75

Total incurred claims

\$.....0

1.76

Number of covered lives

.....0

2.

Health test:

	1	2
	Current Year	Prior Year
2.1 Premium Numerator.....	.....149,329,210	.....164,453,962
2.2 Premium Denominator.....	.....149,329,210	.....164,453,962
2.3 Premium Ratio (2.1/2.2).....	.....100.0	.....100.0
2.4 Reserve Numerator.....	.....18,423,540	.....14,713,189
2.5 Reserve Denominator.....	.....18,423,540	.....14,713,189
2.6 Reserve Ratio (2.4/2.5).....	.....100.0	.....100.0

3.1

Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits?

Yes [ ☐ ]

No [ ☒ ]

3.2

If yes, give particulars:

N/A

4.1

Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and departments been filed with the appropriate regulatory agency?

Yes [ ☒ ]

No [ ☐ ]

4.2

If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered?

Yes [ ☐ ]

No [ ☐ ]

5.1

Does the reporting entity have stop-loss reinsurance?

Yes [ ☒ ]

No [ ☐ ]

5.2

If no, explain:

5.3

Maximum retained risk (see instructions):

5.31

Comprehensive medical

\$.....500,000

5.32

Medical only

\$.....0

5.33

Medicare supplement

\$.....0

5.34

Dental

\$.....0

5.35

Other limited benefit plan

\$.....0

5.36

Other

\$.....0

6.

Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:

Provider contracts contain hold harmless and continuity of coverage provisions.

In addition, the HMO maintains an insolvency protection agreement with an affiliate of the HMO.

7.1

Does the reporting entity set up its claim liability for provider services on a service data base?

Yes [ ☒ ]

No [ ☐ ]

7.2

If no, give details:

N/A

8.

Provide the following information regarding participating providers:

8.1

Number of providers at start of reporting year

.....2,193

8.2

Number of providers at end of reporting year

.....2,504

9.1

Does the reporting entity have business subject to premium rate guarantees?

Yes [ ☐ ]

No [ ☒ ]

9.2

If yes, direct premium earned:

9.21

Business with the rate guarantees between 15-36 months

\$.....0

9.22

Business with rate guarantees over 36 months

\$.....0

32



PART 2 - HEALTH INTERROGATORIES (continued)

10.1

Does the reporting entity have Incentive Pool, Withhold and Bonus arrangements in its provider contracts?

Yes [ ☐ ]

No [ ☒ X ]

10.2

If yes:

10.21

Maximum amount payable bonuses

\$.....0

10.22

Amount actually paid for year bonuses

\$.....0

10.23

Maximum amount payable withholds

\$.....0

10.24

Amount actually paid for year withholds

\$.....0

11.1

Is the reporting entity organized as:

11.12

A Medical Group/Staff Model,

Yes [ ☐ ]

No [ ☒ X ]

11.13

An Individual Practice Association (IPA), or

Yes [ ☒ X ]

No [ ☐ ]

11.14

A Mixed Model (combination of above)?

Yes [ ☐ ]

No [ ☒ X ]

11.2

Is the reporting entity subject to Minimum Net Worth Requirements?

Yes [ ☒ X ]

No [ ☐ ]

11.3

If yes, show the name of the state requiring such net worth.

Maine

11.4

If yes, show the amount required.

\$.....9,997,554

11.5

Is this amount included as part of a contingency reserve in stockholder's equity?

Yes [ ☐ ]

No [ ☒ X ]

11.6

If the amount is calculated, show the calculation:

See Notes to Financial Statement - Note 21, Other Items, C., Other Disclosures

12. List service areas in which reporting entity is licensed to operate:

1
Name of Service Area
Androscroggin, Aroostook, Cumberland, Franklin,
Hancock, Kennebec, Knox, Lincoln, Oxford,
Penobscot, Piscataquis, Sagadahoc, Somerset,
Waldo, Washington, York

**FIVE-YEAR HISTORICAL DATA**

	1 2003	2 2002	3 2001	4 2000	5 1999
<b>Balance Sheet Items (Pages 2 and 3)</b>					
1. Total admitted assets (Page 2, Line 26).....	58,389,571	66,236,286	51,862,895	46,662,392	25,911,121
2. Total liabilities (Page 3, Line 22).....	25,719,043	33,624,179	28,923,073	32,562,156	17,648,474
3. Statutory surplus.....	9,997,554	11,057,830	15,089,188	0	0
4. Total capital and surplus (Page 3, Line 30).....	32,670,528	32,612,107	22,939,822	14,100,236	8,262,647
<b>Income Statement Items (Page 4)</b>					
5. Total revenues (Line 8).....	149,329,210	164,453,962	194,085,693	150,218,121	76,372,984
6. Total medical and hospital expenses (Line 18).....	117,851,257	130,985,039	183,338,040	157,729,539	73,664,606
7. Total administrative expenses (Line 21).....	15,551,044	16,925,092	19,535,372	15,922,437	9,816,474
8. Net underwriting gain (loss) (Line 24).....	12,391,371	12,614,144	(12,808,427)	(27,995,663)	(7,108,096)
9. Net investment gain (loss) (Line 27).....	1,563,084	1,832,805	3,314,545	1,648,591	605,371
10. Total other income (Lines 28 plus 29).....	0	0	0	0	0
11. Net income or (loss) (Line 32).....	9,319,950	9,600,158	(4,847,876)	(17,125,606)	(4,177,855)
<b>Risk-Based Capital Analysis</b>					
12. Total adjusted capital.....	32,670,528	32,612,107	22,939,822	14,100,236	8,262,647
13. Authorized control level risk-based capital.....	4,998,777	5,528,915	7,544,594	6,679,570	3,058,741
<b>Enrollment (Exhibit 2)</b>					
14. Total members at end of period (Column 5, Line 7).....	43,095	40,799	72,813	81,925	47,579
15. Total member months (Column 6, Line 7).....	491,955	632,504	949,534	849,905	512,088
<b>Operating Percentage (Page 4) (Item divided by Page 4, sum of Lines 2, 3, and 5)</b>					
16. Premiums earned (Lines 2 plus 3).....	100.0	100.0	100.0	100.0	100.0
17. Total hospital and medical (Line 18).....	78.9	79.6	94.5	105.0	96.5
18. Total underwriting deductions (Line 23).....	91.7	92.3	106.6	118.6	109.3
19. Total underwriting gain (loss) (Line 24).....	8.3	7.7	(6.6)	(18.6)	(9.3)
<b>Unpaid Claims Analysis (U&amp;I Exhibit, Part 2B)</b>					
20. Total claims incurred for prior years (Line 12, Col. 5).....	12,605,815	18,509,692	24,939,993	17,577,908	13,340,839
21. Estimated liability of unpaid claims - [prior year (Line 12, Col. 6)]	14,713,189	25,109,388	28,951,674	15,657,206	13,490,119
<b>Investments in Parent, Subsidiaries and Affiliates</b>					
22. Affiliated bonds (Sch. D Summary, Line 25, Col. 1).....	0	0	0	0	0
23. Affiliated preferred stocks (Sch D. Summary, Line 39, Col. 1).....	0	0	0	0	0
24. Affiliated common stocks (Sch D. Summary, Line 53, Col. 2).....	0	0	0	0	0
25. Affiliated short-term investments (subtotal included in Sch. DA, Part 2, Col. 5, Line 11).....	0	0	0	0	0
26. Affiliated mortgage loans on real estate.....	0	0	0	0	0
27. All other affiliated.....	0	0	0	0	0
28. Total of above Lines 22 to 27.....	0	0	0	0	0

**SCHEDULE D - SUMMARY BY COUNTRY**

Long-Term Bonds and Stocks OWNED December 31 of Current Year

Description		1 Book/Adjusted Carrying Value	2 Fair Value (a)	3 Actual Cost	4 Par Value of Bonds
<b>BONDS</b> Governments (Including all obligations guaranteed by governments)	1. United States.....	29,880,202	29,877,102	29,898,497	29,750,000
	2. Canada.....	0	0	0	0
	3. Other Countries.....	0	0	0	0
	4. Totals.....	29,880,202	29,877,102	29,898,497	29,750,000
States, Territories and Possessions (Direct and guaranteed)	5. United States.....	0	0	0	0
	6. Canada.....	3,968,194	4,265,660	3,955,500	4,000,000
	7. Other Countries.....	0	0	0	0
	8. Totals.....	3,968,194	4,265,660	3,955,500	4,000,000
Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	9. United States.....	0	0	0	0
	10. Canada.....	0	0	0	0
	11. Other Countries.....	0	0	0	0
	12. Totals.....	0	0	0	0
Special Revenue and Special Assessment Obligations and all Non-guaranteed Obligations of Agencies and Authorities of Governments and their Political Subdivisions	13. United States.....	10,277,070	10,277,070	10,275,989	10,119,800
	14. Canada.....	0	0	0	0
	15. Other Countries.....	0	0	0	0
	16. Totals.....	10,277,070	10,277,070	10,275,989	10,119,800
Public Utilities (unaffiliated)	17. United States.....	0	0	0	0
	18. Canada.....	0	0	0	0
	19. Other Countries.....	0	0	0	0
	20. Totals.....	0	0	0	0
Industrial and Miscellaneous and Credit Tenant Loans (Unaffiliated)	21. United States.....	1,998,904	2,097,577	1,998,150	2,000,000
	22. Canada.....	0	0	0	0
	23. Other Countries.....	0	0	0	0
	24. Totals.....	1,998,904	2,097,577	1,998,150	2,000,000
Parent, Subsidiaries and Affiliates	25. Totals.....	0	0	0	0
	26. <b>Total Bonds.....</b>	46,124,370	46,517,409	46,128,136	45,869,800
<b>PREFERRED STOCKS</b> Public Utilities (Unaffiliated)	27. United States.....	0	0	0	
	28. Canada.....	0	0	0	
	29. Other Countries.....	0	0	0	
	30. Totals.....	0	0	0	
Banks, Trust and Insurance Companies (Unaffiliated)	31. United States.....	0	0	0	
	32. Canada.....	0	0	0	
	33. Other Countries.....	0	0	0	
	34. Totals.....	0	0	0	
Industrial and Miscellaneous (Unaffiliated)	35. United States.....	0	0	0	
	36. Canada.....	0	0	0	
	37. Other Countries.....	0	0	0	
	38. Totals.....	0	0	0	
Parent, Subsidiaries and Affiliates	39. Totals.....	0	0	0	
	40. <b>Total Preferred Stocks....</b>	0	0	0	
<b>COMMON STOCKS</b> Public Utilities (Unaffiliated)	41. United States.....	0	0	0	
	42. Canada.....	0	0	0	
	43. Other Countries.....	0	0	0	
	44. Totals.....	0	0	0	
Banks, Trust and Insurance Companies (Unaffiliated)	45. United States.....	0	0	0	
	46. Canada.....	0	0	0	
	47. Other Countries.....	0	0	0	
	48. Totals.....	0	0	0	
Industrial and Miscellaneous (Unaffiliated)	49. United States.....	0	0	0	
	50. Canada.....	0	0	0	
	51. Other Countries.....	0	0	0	
	52. Totals.....	0	0	0	
Parent, Subsidiaries and Affiliates	53. Totals.....	0	0	0	
	54. <b>Total Common Stocks.....</b>	0	0	0	
	55. <b>Total Stocks.....</b>	0	0	0	
	56. <b>Total Bonds and Stocks...</b>	46,124,370	46,517,409	46,128,136	

(a) The aggregate value of bonds which are valued at other than actual fair value is \$.....36,156,909.

**SCHEDULE D - VERIFICATION BETWEEN YEARS**

1. Book/adjusted carrying value of bonds and stocks, prior year.....	20,167,184	6. Foreign exchange adjustment:	
2. Cost of bonds and stocks acquired, Column 6, Part 3.....	62,573,678	6.1 Column 17, Part 1.....	0
3. Increase (decrease) by adjustment:		6.2 Column 13, Part 2, Section 1.....	0
3.1 Column 16, Part 1.....	(24,131)	6.3 Column 11, Part 2, Section 2.....	0
3.2 Column 12, Part 2, Section 1.....	0	6.4 Column 11, Part 4.....	0
3.3 Column 10, Part 2, Section 2.....	0		
3.4 Column 10, Part 4.....	(71,074)	7. Book/adjusted carrying value at end of current period.....	46,124,370
4. Total gain (loss), Column 14, Part 4.....	68,875	8. Total valuation allowance.....	0
5. Deduct consideration for bonds and stocks disposed of, Column 6, Part 4...	36,590,162	9. Subtotal (Lines 7 plus 8).....	46,124,370
		10. Total nonadmitted amounts.....	0
		11. Statement value of bonds and stocks, current period.....	46,124,370

**SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS**

Allocated by States and Territories

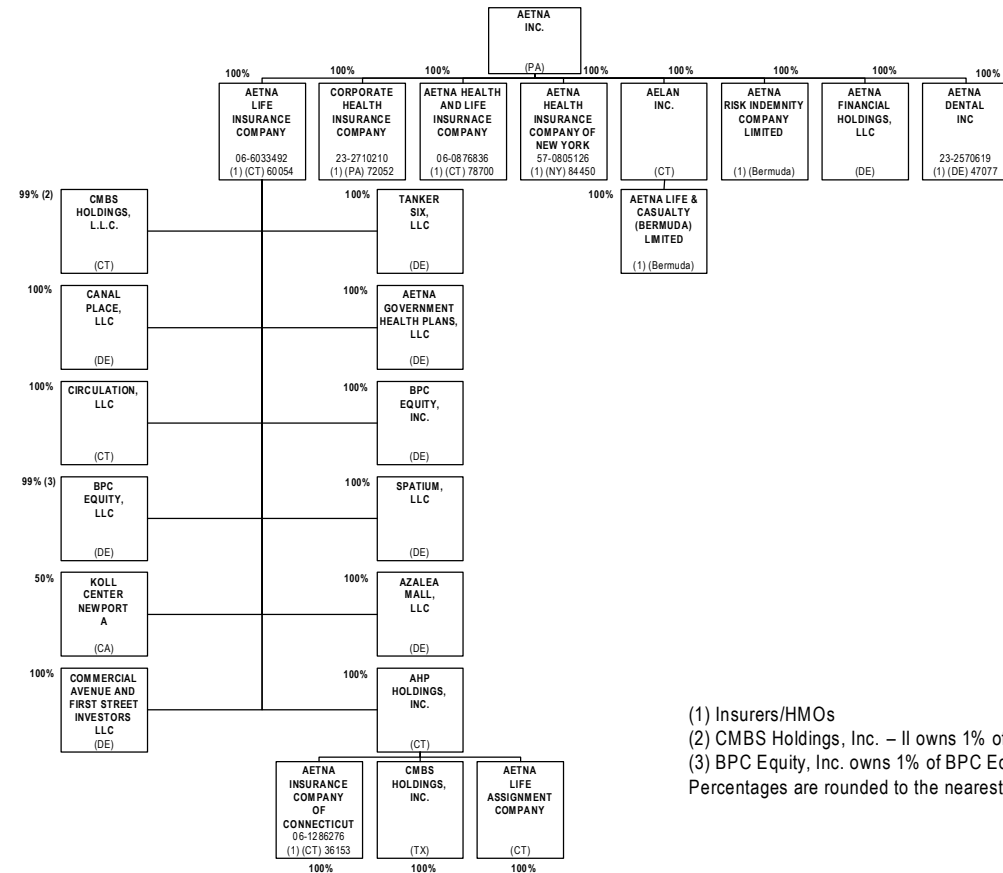
		1	2	Direct Business Only					
				3	4	5	6	7	8
State, Etc.		Guaranty Fund (YES or NO)	Is Insurer Licensed? (YES or NO)	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life & Annuity Premiums and Deposit-Type Contract Funds	Property/ Casualty Premiums
1.	Alabama.....AL	...NO	...NO	.....0	.....0	.....0	.....0	.....0	.....0
2.	Alaska.....AK	...NO	...NO	.....0	.....0	.....0	.....0	.....0	.....0
3.	Arizona.....AZ	...NO	...NO	.....0	.....0	.....0	.....0	.....0	.....0
4.	Arkansas.....AR	...NO	...NO	.....0	.....0	.....0	.....0	.....0	.....0
5.	California.....CA	...NO	...NO	.....0	.....0	.....0	.....0	.....0	.....0
6.	Colorado.....CO	...NO	...NO	.....0	.....0	.....0	.....0	.....0	.....0
7.	Connecticut.....CT	...NO	...NO	.....0	.....0	.....0	.....0	.....0	.....0
8.	Delaware.....DE	...NO	...NO	.....0	.....0	.....0	.....0	.....0	.....0
9.	District of Columbia.....DC	...NO	...NO	.....0	.....0	.....0	.....0	.....0	.....0
10.	Florida.....FL	...NO	...NO	.....0	.....0	.....0	.....0	.....0	.....0
11.	Georgia.....GA	...NO	...NO	.....0	.....0	.....0	.....0	.....0	.....0
12.	Hawaii.....HI	...NO	...NO	.....0	.....0	.....0	.....0	.....0	.....0
13.	Idaho.....ID	...NO	...NO	.....0	.....0	.....0	.....0	.....0	.....0
14.	Illinois.....IL	...NO	...NO	.....0	.....0	.....0	.....0	.....0	.....0
15.	Indiana.....IN	...NO	...NO	.....0	.....0	.....0	.....0	.....0	.....0
16.	Iowa.....IA	...NO	...NO	.....0	.....0	.....0	.....0	.....0	.....0
17.	Kansas.....KS	...NO	...NO	.....0	.....0	.....0	.....0	.....0	.....0
18.	Kentucky.....KY	...NO	...NO	.....0	.....0	.....0	.....0	.....0	.....0
19.	Louisiana.....LA	...NO	...NO	.....0	.....0	.....0	.....0	.....0	.....0
20.	Maine.....ME	...NO	...YES	149,673,579	.....0	.....0	.....0	.....0	.....0
21.	Maryland.....MD	...NO	...NO	.....0	.....0	.....0	.....0	.....0	.....0
22.	Massachusetts.....MA	...NO	...NO	.....0	.....0	.....0	.....0	.....0	.....0
23.	Michigan.....MI	...NO	...NO	.....0	.....0	.....0	.....0	.....0	.....0
24.	Minnesota.....MN	...NO	...NO	.....0	.....0	.....0	.....0	.....0	.....0
25.	Mississippi.....MS	...NO	...NO	.....0	.....0	.....0	.....0	.....0	.....0
26.	Missouri.....MO	...NO	...NO	.....0	.....0	.....0	.....0	.....0	.....0
27.	Montana.....MT	...NO	...NO	.....0	.....0	.....0	.....0	.....0	.....0
28.	Nebraska.....NE	...NO	...NO	.....0	.....0	.....0	.....0	.....0	.....0
29.	Nevada.....NV	...NO	...NO	.....0	.....0	.....0	.....0	.....0	.....0
30.	New Hampshire.....NH	...NO	...NO	.....0	.....0	.....0	.....0	.....0	.....0
31.	New Jersey.....NJ	...NO	...NO	.....0	.....0	.....0	.....0	.....0	.....0
32.	New Mexico.....NM	...NO	...NO	.....0	.....0	.....0	.....0	.....0	.....0
33.	New York.....NY	...NO	...NO	.....0	.....0	.....0	.....0	.....0	.....0
34.	North Carolina.....NC	...NO	...NO	.....0	.....0	.....0	.....0	.....0	.....0
35.	North Dakota.....ND	...NO	...NO	.....0	.....0	.....0	.....0	.....0	.....0
36.	Ohio.....OH	...NO	...NO	.....0	.....0	.....0	.....0	.....0	.....0
37.	Oklahoma.....OK	...NO	...NO	.....0	.....0	.....0	.....0	.....0	.....0
38.	Oregon.....OR	...NO	...NO	.....0	.....0	.....0	.....0	.....0	.....0
39.	Pennsylvania.....PA	...NO	...NO	.....0	.....0	.....0	.....0	.....0	.....0
40.	Rhode Island.....RI	...NO	...NO	.....0	.....0	.....0	.....0	.....0	.....0
41.	South Carolina.....SC	...NO	...NO	.....0	.....0	.....0	.....0	.....0	.....0
42.	South Dakota.....SD	...NO	...NO	.....0	.....0	.....0	.....0	.....0	.....0
43.	Tennessee.....TN	...NO	...NO	.....0	.....0	.....0	.....0	.....0	.....0
44.	Texas.....TX	...NO	...NO	.....0	.....0	.....0	.....0	.....0	.....0
45.	Utah.....UT	...NO	...NO	.....0	.....0	.....0	.....0	.....0	.....0
46.	Vermont.....VT	...NO	...NO	.....0	.....0	.....0	.....0	.....0	.....0
47.	Virginia.....VA	...NO	...NO	.....0	.....0	.....0	.....0	.....0	.....0
48.	Washington.....WA	...NO	...NO	.....0	.....0	.....0	.....0	.....0	.....0
49.	West Virginia.....WV	...NO	...NO	.....0	.....0	.....0	.....0	.....0	.....0
50.	Wisconsin.....WI	...NO	...NO	.....0	.....0	.....0	.....0	.....0	.....0
51.	Wyoming.....WY	...NO	...NO	.....0	.....0	.....0	.....0	.....0	.....0
52.	American Samoa.....AS	...NO	...NO	.....0	.....0	.....0	.....0	.....0	.....0
53.	Guam.....GU	...NO	...NO	.....0	.....0	.....0	.....0	.....0	.....0
54.	Puerto Rico.....PR	...NO	...NO	.....0	.....0	.....0	.....0	.....0	.....0
55.	U.S. Virgin Islands.....VI	...NO	...NO	.....0	.....0	.....0	.....0	.....0	.....0
56.	Canada.....CN	...NO	...NO	.....0	.....0	.....0	.....0	.....0	.....0
57.	Aggregate Other alien.....OT	...XXX	...XXX	.....0	.....0	.....0	.....0	.....0	.....0
58.	Total (Direct Business).....	...XXX	(a).....1	149,673,579	.....0	.....0	.....0	.....0	.....0

DETAILS OF WRITE-INS									
5701.	.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
5702.	.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
5703.	.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
5798.	Summary of remaining write-ins for line 57 from overflow page.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
5799.	Total (Lines 5701 thru 5703 plus 5798) (Line 57 above).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0

Explanation of basis of allocation by states, premiums by state, etc.

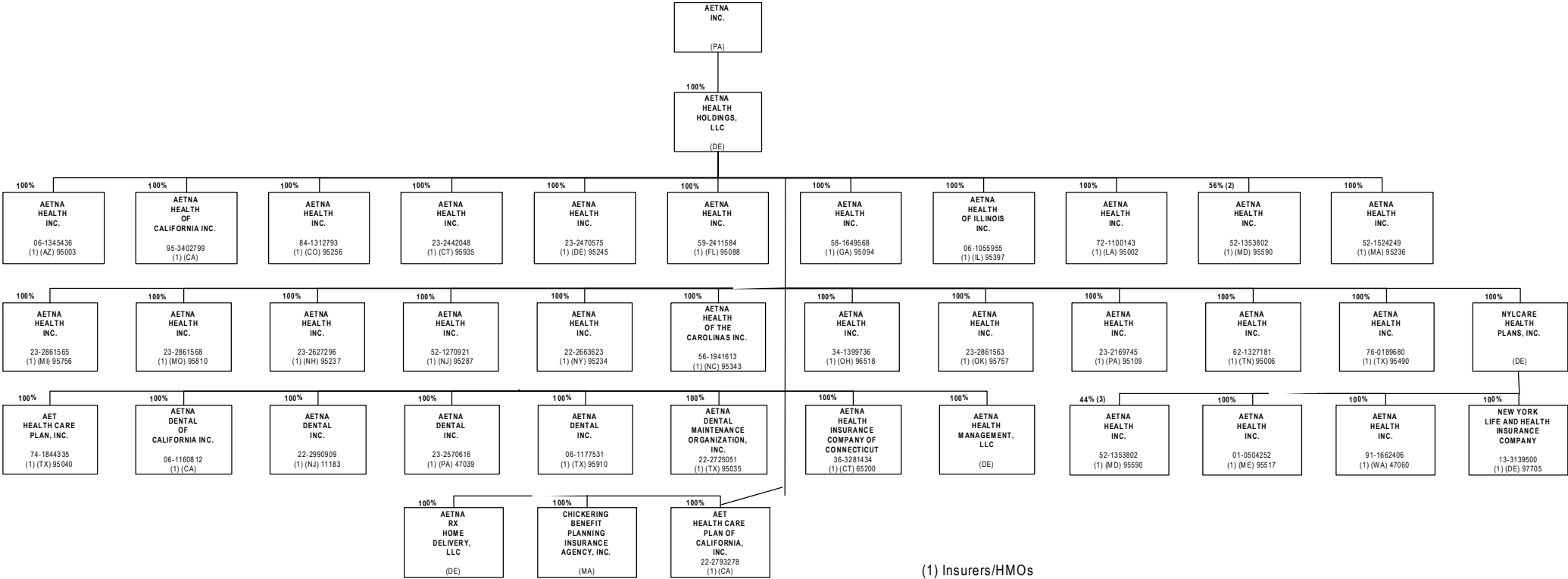
(a) Insert the number of yes responses except for Canada and Other Alien.

**SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**  
PART 1 – ORGANIZATIONAL CHART



(1) Insurers/HMOs  
(2) CMBS Holdings, Inc. – II owns 1% of CMBS Holdings, L.L.C.  
(3) BPC Equity, Inc. owns 1% of BPC Equity, LLC.  
Percentages are rounded to the nearest whole percent and are based on ownership of voting rights.

**SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**  
PART 1 – ORGANIZATIONAL CHART



(1) Insurers/HMOs  
(2) NYLCare Health Plans, Inc. directly owns 44% of Aetna Health Inc. (MD).  
(3) Aetna Health Holdings, LLC directly owns 56% of Aetna Health Inc. (MD).  
Percentages are rounded to the nearest whole percent and are based on ownership of voting rights.